

EXHIBIT D

Scott Stephen S & Associates, Inc. S

An Appraisal Report of the

25.132 Acre Tract of Vacant Land
Located along
The South Line of Mack Washington Lane
Hempstead, Waller County, Texas 77445

File ID: 221202069



FOR
Appraisal MC
320 Detering, Ste. B
Houston, TX 77007

As Is:
December 28, 2022

**Scott Stephens
& Associates, Inc.**

15021 Bohemian Hall Rd.
Crosby, Texas 77532
713-451-3600
713-451-3300 Fax

www.scottstephensandassociates.com

SSA Job No.:
(2212-16490)

SCOTT STEPHENS & ASSOCIATES%INC.

*Real Estate Appraisers – Consultants
Houston, Austin, San Antonio and South Texas*

*15021 Bohemian Hall Road
Crosby, Texas 77532
Phone: (713) 451-3600
Fax: (713) 451-3300*

www.scottstephensandassociates.com



Scott P. Stephens, MAI, AI-GRS, CEO



*Ryan Dagley, MAI, President
Lt. Colonel (Ret.) Terence J. O'Rourke, MAI, VP*

December 30%2022

Appraisal MC
320 Detering%Ste. B
Houston%TX 77007

File ID: 221202069

Re: Approximately 25.132 acres or 1%094%750 square feet of land located along the south line of Mack Washington Lane%Hempstead%Waller County%Texas 77445.

Dear whom it may concern:

A real estate Appraisal Report of the above referenced property has been conducted. The "As Is" market value of the fee simple estate as of December 28%2022 is:

\$1%150%000#

We are not qualified to detect the existence of hazardous materials%which may or may not be present on the subject property. Hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is not such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field%if desired.

THE OPINION OF VALUE STATED ABOVE% AS WELL AS EVERY OTHER ELEMENT OF THIS APPRAISAL REPORT%IS QUALIFIED IN ITS ENTIRETY BY THE GENERAL ASSUMPTIONS AND LIMITING CONDITIONS SET FORTH IN ANOTHER PART OF THIS REPORT AND WHICH ARE AN INTEGRAL PART OF THE REPORT.

I certify that%to the best of my knowledge and belief%...

! 1" The statements of fact contained in this report are true and correct.

December 30%2022

- !2" The reported analyses% opinions% and conclusions are limited only by the reported assumptions and limiting conditions% and are my personal% impartial% and unbiased professional analyses% opinions% and conclusions.
- !3" I have no present or prospective interest in the property that is the subject of this report% and I have no personal interest with respect to the parties involved.
- !4" I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- !5" My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- !6" My compensation for completing this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client% the amount of the value opinion% the attainment of a stipulated result% or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- !7" My analyses% opinions% and conclusions were developed% and this report has been prepared% in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- !8" I certify that% to the best of my knowledge and belief% the reported analyses% opinions% and conclusions were developed% and this report has been prepared% in conformity with the Uniform Standards of Professional Practice% the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute% and the specific reporting requirements of the client.
- !9" Katie McGinnis and Kailey Gillings% Appraisal Trainee TX&343409% have made a personal visit to the property that is the subject of this report. Scott P. Stephens% MAI% AI&GRS and Ryan Dagley% MAI have reviewed the report and concur with the analysis and conclusions.
- !10" Kailey Gillings% Appraisal Trainee TX&343409 has provided significant professional assistance to the persons signing this report.
- !11" I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- !12" As of the date of this report% Scott P. Stephens% MAI% AI&GRS and Ryan J. Dagley% MAI have completed the requirements of the continuing education program of the Appraisal Institute and the State of Texas. Katie McGinnis has completed the requirements of the continuing education program of the State of Texas. Kailey Gillings% Appraisal Trainee TX&343409 has completed the requirements of the continuing education program of the State of Texas.
- !13" The appraiser!s" have not performed services as an appraiser or in any other capacity% regarding the property that is the subject of this report within the previous three years immediately preceding acceptance of this assignment.

December 30%2022

The attached report is an explanation of the analysis and reasoning used to derive a market value estimate for the subject. The above values are based on a reasonable exposure period of 12 months.

The appraisal was conducted solely for the named client and is for the internal use of the client only. If you have any questions%please feel free to call.

Sincerely%

Scott Stephens & Associates%Inc.



by Scott P. Stephens%MAI%AI&GRS%CEO
State Certified General RE Appraiser
Certificate No. TX&320269&



by Ryan J. Dagley%MAI%President
State Certified General RE Appraiser
CeCEOCrtificate No. TX&335208&



by Katie McGinnis%Associate
State Certified General RE Appraiser
Certificate No. TX&381012&



by Kailey Gillings%Appraiser Trainee
Certificate No. TX&343409

SPS/RJD/KM/KG/rg

EXECUTIVE SUMMARY

Location: South Line of Mack Washington Lane% Hempstead% Texas 77445

Property Type: Vacant Land

Land Area: 25.132 acres or 1,094,750 square feet of land being Lot 1% Clear Creek Development% Waller County% Texas.

Land Value: 25.132 acres or 1,094,750 square feet @ \$1.05 psf \$1,149,488

Final Value Opinion: \$1,500,000

Marketing Period: 12 months

Valuation Date: December 28%2022
Date of Report: December 30%2022

Appraiser: Scott P. Stephens% MAI% AI&GRS% CEO
Ryan J. Dagley% MAI% President
Katie McGinnis% Associate
Kailey Gillings% Trainee Appraiser
Scott Stephens and Associates% Inc.

All values stated above are subject to the assumptions and limiting conditions as set out in this narrative appraisal.

TABLE OF CONTENTS

Title Page	1
Letter of Transmittal with Certificate	2
Executive Summary	5
Table of Contents	6
Assumptions and Limiting Conditions	7
Qualifications of the Appraisers	9
Area Map	18
Photos of Subject	19
 DESCRIPTIONS%ANALYSES%AND CONCLUSIONS	 21
Premise of the Appraisal	22
Neighborhood Analysis	30
Site Data and Analysis	40
Aerial Photo	41
Tax Map	43
Flood Map	45
Highest and Best Use Analysis	46
 LAND SALES COMPARISON APPROACH	 47
Comparable Land Sales	48
Comparable Land Sales Map	53
Site Valuation	54
Land Adjustment Grid	56
 ADDENDA	 57
Engagement Letter	58
Tax Records	62

GENERAL ASSUMPTIONS

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. Responsible ownership and competent management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. The appraisal will interpret the FEMA map in the report. However, the reader is directed to the Caution Statement at the bottom of such map regarding the need to have the property evaluated by a qualified civil engineer or specialist to determine the floodplain status of the property. We are not experts in floodplain evaluation, nor is our interpretation warranted. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is confined within the boundaries or property lines of the described property and that there is no encroachment or trespass unless noted within the report.

Unless otherwise stated in this report, the existence of hazardous materials or wetlands, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials or condition on or in the property. The appraiser, however, is not qualified to detect such substances or areas. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumptions that there is no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

LIMITING CONDITIONS

The opinion of value and every other element of this appraisal report are qualified and limited by all of the following conditions:

1. THIS REPORT WAS PREPARED FOR THE INTERNAL USE OF THE CLIENT AND INTENDED USER(S) NAMED WITHIN THIS REPORT. NO PERSON OR ENTITY OTHER THAN THE CLIENT AND INTENDED USER(S) HAS ANY RIGHT OR AUTHORITY TO RELY ON THIS REPORT OR ANYTHING CONTAINED IN IT OR IMPLIED FROM IT, UNLESS OTHERWISE STATED IN THE BODY OF THE REPORT.

2. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made.

3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

6. By acceptance of this report, the client acknowledges that the value opinion is the product of a professionally trained mind, but nevertheless is an opinion only, and not a provable fact. As a personal opinion, a valuation may vary between appraisers based on the same facts.

QUALIFICATIONS OF SCOTT P. STEPHENS%MAI%AI&GRS

CEO of Scott Stephens and Associates, Inc.
15021 Bohemian Hall Road
Crosby, TX, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
email: scottstephens@gmail.com

Mission Statement: Scott Stephens and Associates, Inc. is committed to honesty, excellence, and professionalism. As we build lasting relationships with our clients, our constant goal is to provide a trustworthy "value-added" service that is indispensable in real estate lending and investment decisions.

Scott Stephens & Associates%Inc has a staff of 13 including 3 members of the Appraisal Institute !MAI". Seven appraisers specialize in commercial properties%3 in residential and 3 support staff.

Professional Affiliation:

MAI &Designated Member of Appraisal Institute #7758 on March 3%1988
AI&GRS &Designated Member of Appraisal Institute # 81916 on November 17%2015
State Certified General Real Estate Appraiser !Certificate # TX&320269&"%since 1991
Real Estate Broker: Texas License #328907%since 1986

Certification:

Currently certified by the Appraisal Institute !12/21" and the State of Texas !3/23".

Educational Background:

Gatesville High School%Gatesville%Texas &May 1979
Bachelor of Science Degree &Texas A&M University; Agricultural Economics – 1982

Recent Continuing Education Completed:

Fannie Mae Appraisal Guidelines: Debunking the Myths !2/19"%Introduction to Expert Witness Testimony for Appraisers: To Do or Not to Do !2/19"%Supporting Your Adjustments: Methods for Residential Appraisers !2/19"% Business Practices and Ethics !5/20"% Millennials are Changing Real Estate !6/20"% Broker Responsibility !6/20"% Texas Legal Update Parts 1 & 2 !6/20"% A New Look at Contract Law !7/22"% Texas Legal Update Parts 1 & 2 !7/22"% Ethics in Age of Disruption !7/22"% Preforming Quality BPO's !7/22"

Property Types Appraised:

Appraisal Reviews	Day Care Facilities	Mini Warehouse	Restaurants
Automotive Repair	Eminent Domain	Mobile Home Parks	Single Family
Box Retail	Fire Stations	Multifamily	Shopping Centers
Car Dealerships	Hotel/Motels	Office Buildings	Subdivisions
Churches	Industrial	Office Warehouses	Vacant Land
Convenience Stores	Medical Office	Ranches	Various Other

Expert Witness: Harris%Bexar%Fort Bend and Montgomery Counties

Partial List of Clients:

Banks: Allegiance% Austin% Bank of Houston% Capital% Comerica% Community Bank of TX% Eppraisal% Falcon% 1st Financial% 1st Liberty% 1st National% 1sr Security% 1st State% Guaranty% Independent% Origin% Plains Capital% Prosperity% Regions% South Trust% Texas Citizens% Texan% Third Coast% Truist% Trustmark% Wallis% Woodforest and many others. *Additional Clients:* Community Resource CU% Mobil CU% Shell FCU% Five Point CU% Security FCU% Chambers County% Harris County% Cities of Dayton% Houston% Beaumont% Mt Belvieu and Pasadena% as well various attorneys% corporations% credit unions% individuals% insurance companies% colleges% school districts% and appraisal management companies.

Qualifications of Scott P. Stephens, MAI, AI-GRS continued:

Memberships%Boards%Service:

Houston Chapter of the Appraisal Institute Board of Directors 1994~~6~~; Past Chair of Education
Chairman of the Board 2005% Board of Directors 2001~~6~~% Member 1990~~2~~017 & North Channel
Area Chamber of Commerce; Crosby & Huffman Chamber of Commerce 2017 – present
Member of San Jacinto College Foundation Board 2006~~8~~2007
Member of the Rotary Club of North Shore & President 1998~~8~~1999 also served as President & Elect%
Secretary% Treasurer and Sergeant at Arms in prior years
Rotary District 5890 Assistant District Governor 1999~~2~~000% 2009~~2~~010; Chairman of Rotary
District 5890 Polio Worldwide Eradication Committee ! 2001~~2~~% 2004~~6~~"
Chairman of Live Auction for Northshore Rotary Catfish Fry & Crawfish Boil 2008~~8~~15
Have served as a special commissioner for Harris County Court at Law #3 & #4
Vice President of Harris County MUD #8% Former VP of Woodforest Professional Plaza
President of Crosby Sports Association 2002~~2~~004% Youth Baseball Coach 1995~~2~~004
Past Member of Board of Directors of the former Brazos Valley Bank in College Station% Texas
Member of First Baptist Church in Crosby% the National Association of Realtors and the Houston
Board of REALTORS ®; Board of directors% former Chairman of the Board – Parent Heart Watch%
Crosby Fair & Rodeo% Channelview FFA Fair% Sheldon FFA Fair – Auction Buyer
Chaired and served on numerous other committees for Chamber of Commerce% Crosby Sports
Association% Houston Chapter of Appraisal Institute% Church and other civic associations
President of the Cody Stephens Go Big or Go Home Memorial Foundation which was awarded
“Foundation of the Year” by the Crosby Huffman Chamber of Commerce – 2014.

Awards%Interests%Background

Selected by the Houston Chronicle as a Houston Hero for 2015
Crosby Huffman Chamber of Commerce “Citizen of Year – 2012”
Rotary International: North Shore Rotary Club Rotarian of the Year 2010% Rotary International’s
“Four Avenues of Service Citation for Individual Rotarians” 2003~~2~~004% Rotary International
District 5890’s “Rotary Foundation Supporter of Year” 2003~~2~~004% Rotary International’s
Presidential Citation 1998~~8~~1999% “Co~~8~~President of the Year” for the Rotary International District
5890% 1998~~8~~1999% Rotary Foundation Paul Harris Fellowship Major Donor
Houston Chapter of the Appraisal Institute 1992 and 1993 & Key Man Award
Patriotic Employer – Office of the Secretary of Defense 2003 & 2012
North Channel Chamber of Commerce & Dedicated Service Award% 2007
Employers include Dominy% Ford McPherson & Teel 1983~~7~~% Ted Whitmer & Associates 1987%
Whitmer & Stephens% Inc. 1988. Scott Stephens & Associates% Inc since January 1989.
While at Texas A&M University was a member of the Alpha Zeta Honor Society% Baptist Student
Union% Baptist Home Mission Board Summer Missionary 1981% Dean’s List% Student Housing
Dorm Head Resident and graduated in 3.5 years.
Have served as host family for exchange students and young professionals from Australia% Chile%
Germany% Italy and Serbia.
Born in Big Spring% Texas% 12/60. 3 children. Hobbies include reading% outdoor activities% assisting
students with 4H and FFA livestock show projects% the pinnacle of which included my eldest son
winning Reserve Grand Champion Steer at the HLS&R in 2006. Personal Note: My youngest son%
Cody% died on May 6% 2012 at the age of 18. He was an athlete preparing for college football. I am
now actively involved promoting heart screening in our youth throughout the state of Texas. I
work with Texas school districts promoting the inclusion of heart screenings ! ECG’s” with their
student physicals. In 2013% 2015% 2017 and 2019 bills were introduced in the Texas Legislature to
make this a part of the student physicals at my request. The bill passed and became “Cody’s Law”
HB76 in September of 2019% making Texas the first state to have this law. The law has now
passed in Pennsylvania and been introduced in many other states. For more information or go to
www.codystephensfoundation.org or follow us on Facebook.

SCOTT PAUL STEPHENS
15021 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: Scott Paul Stephens

License #: TX 1320269 G

License Expires: 03/31/2023

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

**Chelsea Buchholtz
Commissioner**

QUALIFICATIONS OF
THE HONORABLE RYAN JOSEPH DAGLEY%MAI%CHAMBERS COUNTY
COMMISSIONER PCT 4

President of
Scott Stephens and Associates, Inc. located at 15021 Bohemian Hall Road
Crosby, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
[*ryandagley@gmail.com*](mailto:ryandagley@gmail.com)

Mission Statement: Scott Stephens and Associates, Inc. is committed to honesty, excellence, and professionalism. As we build lasting relationships with our clients, our constant goal is to provide a trustworthy "value-added" service that is indispensable in real estate lending and investment decisions.

Professional Affiliations:

MAI & Designated Member of the Appraisal Institute #442002
State Certified General Real Estate Appraiser License #TX&1335208&G

Educational Background:

North Shore High School&Houston%Texas May&997
University of Houston - Houston%Texas & Graduate with Bachelor of Business Administration &
Degree%May%2002

Recent Continuing Education Completed:

Basic Hotel Appraising Limited Service Hotels !4/3/2019% Appraisal of Land subject to Ground
Leases !4/8/2019"% Appraisal of Fast food Facilities !4/1/2019"% USPAP Update !4/24/2019"%
Residential Property Inspection for Appraisers !5/2017"% Appraisal of Owner Occupied Properties
!5/2017"% Appraisal of REO Properties !5/2017"% Business Practice and Ethics !5/2020"

Current Employment:

Scott Stephens & Associates%Inc.%Houston%Texas& Since 2002%
Vice President Since January 2011
Named President in January 2020

Property Types Appraised:

Apartments	Farm and Ranch	Mobile Home Parks	Retail Centers
Banks	Hotels/Motels	Office Buildings	Single Family
Boat/RV Storage	Industrial Plants	Office Service	Single Tenant Retail
Churches	Light Industrial	Office Warehouse	Special Purpose
Commercial Developments	Medical Office	Raw Land	Subdivisions
Condemnation	Mini&warehouses	Restaurants	Various Other

Expert Witness: Harris%Jefferson%and Galveston Counties

Partial List of Clients:

Banks: Allegiance% Amegy% Austin% Barbers Hill% BB&T% Capital% Community Bank of Texas%
BBVA Compass% East Chambers% Eppraisal% Falcon% 1st Financial% 1st Liberty% 1st National% 1st
State% Heritage% Independent% Integrity% Mainland% National United% Origin% Plains Capital%
Prosperity% Regions% Spirit of Texas% South Trust% T Bank% Texas Citizens% Third Coast% Truist%
Trustmark% Wallis St% Woodforest% Zions 1st National and many others. Additional Clients:
Community Resource CU% Mobile CU% Shell FCU% Smart Federal CU% Five Point CU% Chambers

Qualifications of Ryan J. Dagley%MAI%continued:

County% Harris County% State of Texas% U.S. Army Corps of Engineers% Cities of Dayton% Houston% Beaumont% Mt Belvieu and Pasadena% as well various municipal utility districts% emergency service districts% attorneys% corporations% credit unions% individuals% insurance companies% colleges% school districts% and appraisal management companies.

Biographical Background:

Born in Baytown% Texas% May 1979. Completed primary and secondary education in Houston% Texas% May 1997. Attended Texas A&M University from 1997&1998% San Jacinto Junior College from 1998&1999% and the University of Houston from 1999&2002. May of 2002% earned bachelors degree in Business Administration. Married wife Isis in 6/2002 and have two children !Ryan Dagley Jr and Kayla Dagley". Have worked in the field of real estate appraisal since 2002% and now President of Scott Stephens & Associates% Inc. Became a Member of the Appraisal Institute in June 2015.

Memberships%Boards%Service: Member of the Rotary Club of North Shore & Sergeant at Arms in 2008% Community Service Chairman 2009% 2013% 2014% 2015% 2016% Chairman of VIP Committee for Northshore Rotary Catfish Fry & Crawfish Boil 2007 til 2018% Multiple Paul Harris Fellow&Major Donor% North Shore Rotary Club Rotarian of the Year 2015% Board of Director for North Shore Rotary 2015&2018% Treasurer of the North Shore Rotary 2016&2017% Secretary of the North Shore Rotary Club 2017&2018% President&Elect of the North Shore Rotary Club 2018&2019% President of the North Shore Rotary Club 2019&2020% President of Greenbriar Estates HOA from 2008&2015% North Channel Area Chamber of Commerce member 2004&2012% West Chambers County Chamber of Commerce Member&2017&Present% North Channel Area Chamber of Commerce – 2011&2012% Board of Directors% Youth Baseball Coach 2010&2019% Board of Director for the Cody Stephens Go Big or Go Home Foundation% Lee College Education Foundation&Director% Alderman for Beach City 2019&2020% Mayor of Beach City% Texas 2020&2022% Chambers County Commissioner Pct 4 2023&Present

RYAN JOSEPH DAGLEY
15021 BOHEMIAN HALL ROAD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: RYAN JOSEPH DAGLEY

License #: TX 1335208 G

License Expires: 08/31/2023

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

**Chelsea Buchholtz
Commissioner**

QUALIFICATIONS OF KATIE A. MCGINNIS

*A State of Texas Licensed Real Estate Appraiser at
Scott Stephens and Associates, Inc. located at 15021 Bohemian Hall Road
Crosby, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
kmcginnis.ssa@gmail.com*

Professional Affiliations:

Texas State Certified General Real Estate Appraiser – License # TX&381012 G

Educational Background:

Texas A&M University% College of Agriculture and Life Sciences% College Station% TX;
Bachelor of Science% Animal Science % May 2012

Recent Continuing Education Completed:

Appraisal Institute: General Appraiser Sales Comparison Approach! 8/17/2018"% General Appraiser Income Approach Part 1 ! 9/14/2018"% General Appraiser Site Valuation and Cost Approach ! 10/6/2018"% General Appraiser Income Approach Part 2 ! 10/16/2018"% General Appraiser Report Writing and Case Studies ! 10/20/2018"% Real Estate Finance% Statistics% and Valuation Modeling ! 11/30/2018"% General Appraiser Market Analysis and Highest and Best Use ! 2/28/2019"% Advanced Income Capitalization ! 5/3/2019"
McKissock: Basic Appraisal Principles ! 12/15/2017"% Basic Appraisal Procedures ! 1/28/2018"% 15 & hr National USPAP Course ! 4/22/2018"

Current Employment:

Scott Stephens and Associates% Inc.% Houston% Texas – Since July 2018% Licensed Real Estate Appraiser

Property Types Appraised:

Apartments	Farm and Ranch	Mobile Home Parks	Retail Centers
Banks	Hotels/Motels	Office Buildings	Single Family
Boat/RV Storage	Industrial Plants	Office Service	Single Tenant Retail
Churches	Light Industrial	Office Warehouse	Special Purpose
Commercial Developments	Medical Office	Raw Land	Subdivisions
Condemnation	Mini&warehouses	Restaurants	Various Other

Biographical Background:

Born in Houston% Texas% March of 1990. Completed primary and secondary education in Crosby Independent School District in May of 2008. Attended Texas A&M University from the fall of 2008 through May of 2012. In May of 2012% I was awarded a bachelor's degree in Animal Science. In the five years after graduation% I worked as a teacher for Crosby Independent School district% teaching various subjects including Physics% Veterinary Medicine% and Animal Science. I began working at Scott Stephens and Associates% Inc as a real estate appraiser trainee in July 2018. Became a State of Texas Licensed Appraiser in July of 2020.

KATIE ANN MCGINNIS
15025 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: Katie Ann McGinnis

License #: TX 1381012 G

License Expires: 07/31/2024

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

**Chelsea Buchholtz
Commissioner**

KAILEY REBECCA GILLINGS
514 RAIN CLOUD
BAYTOWN, TX 77523



Appraiser Trainee

Trainee: **Kailey Rebecca Gillings**

Authorization #: **TX 1343409 Trainee**

Expires: **06/30/2024**

Review the list of the above Trainee's Supervisors on the License Holder Search at
www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at
www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

LOCATION MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

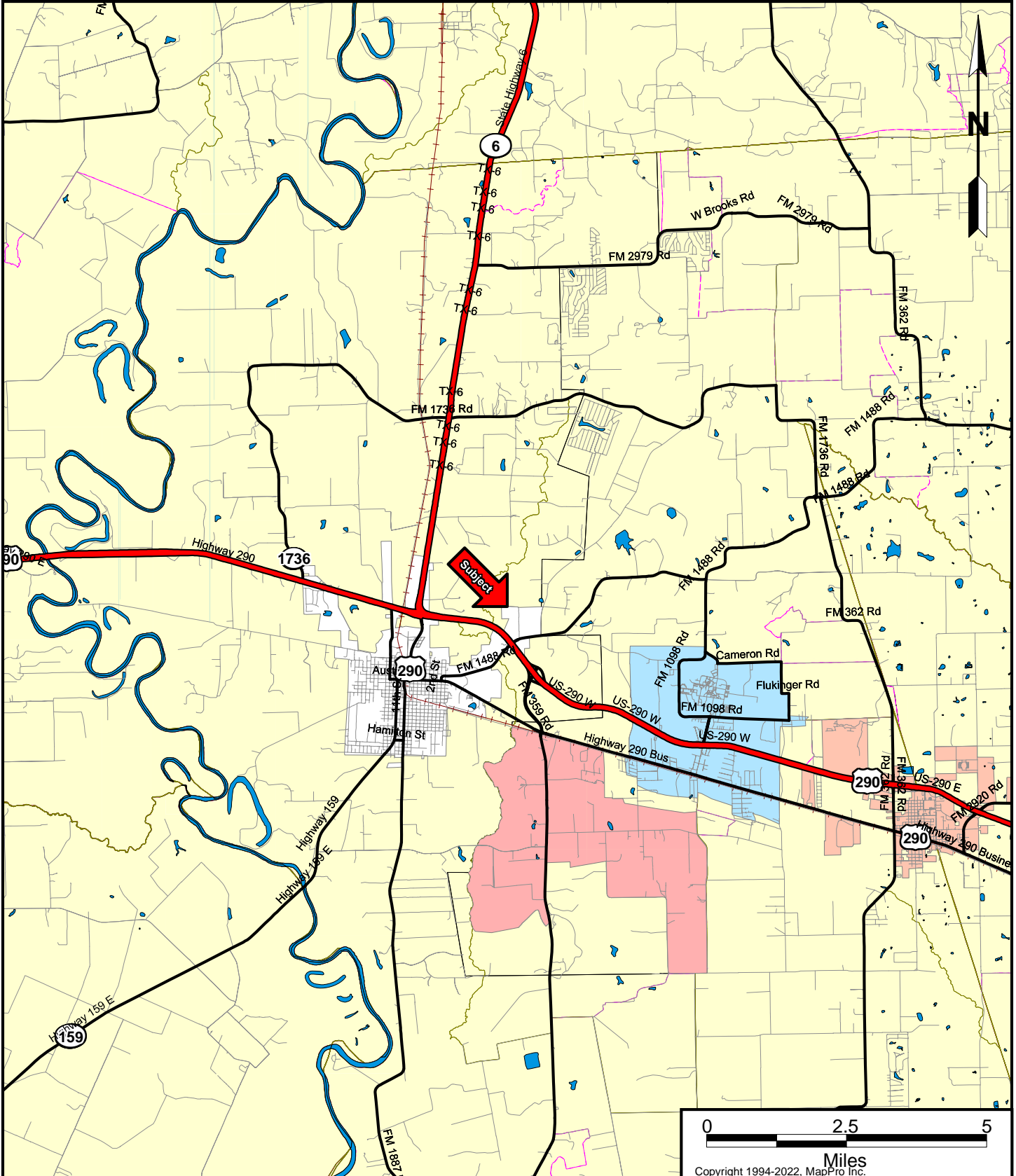
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.116343

Long: -96.049399



CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

Prepared by Scott Stephens & Associates, Inc. using MapPro Service. MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.





DESCRIPTIONS, ANALYSES AND CONCLUSIONS

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the “as is” market value of the fee simple estate of the subject property being described as:

25.132 acres or 1,709,450 square feet of land being Lot 1%Clear Creek Development%Waller County%Texas.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate of the subject property%subject to existing easements%restrictions%and prior encumbrances.

DEFINITION OF MARKET VALUE

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale%the buyer and seller each acting prudently and knowledgeably%and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- & Buyer and seller are typically motivated;
- & Both parties are well informed or well advised%and acting in what they consider their own best interests;
- & A reasonable time is allowed for exposure in the open market;
- & Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- & The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Sources: OCC Regulations%No. 12&CFR&Subpart C&34.42!g" Title XI of the FIRREA Act of 1989%Interagency Appraisal and Evaluation Guidelines of December%2010.

Note: The appraiser defines the reasonable exposure time as 12 months.

MARKETING TIME AND EXPOSURE TIME

The exposure time is the estimated length of time the property interest being appraised would have been offered on the market to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The marketing time is an opinion of the amount of time it might take to sell the property interest being appraised at the concluded market value level during

Scott Stephens & Associates, Inc.

the period immediately after the effective date of an appraisal. In this case, the exposure time and marketing time is estimated to be approximately 12 months, which is based on interviews with market participants, analysis of the sales comparison approach and investor surveys.

EFFECTIVE DATE OF APPRAISAL DATE OF THE REPORT

The effective date of the appraisal for the “as is” value is December 28, 2022, the date of the site visit. The date of the report is December 30, 2022.

INSTRUCTIONS TO THE APPRAISER

The appraisers were instructed by the client to conduct an “as is” market value appraisal of the fee simple estate of the subject property. Data provided by the client includes legal description of the subject property and specific appraisal guidelines.

SCOPE OF THE APPRAISAL

This is a Summary Appraisal Report. It presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The depth of discussion and analyses contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

The term "extent of the research" relates to the extent of the process of collecting, confirming, and recording data. All sources of information have been documented throughout the report and the appraisers relied on the accuracy of these sources. However, it is suggested by the appraiser that the client read and fully understand the assumptions and limiting conditions set forth within as to the extent of responsibility of the appraiser.

The appraisal was conducted in conformity with the Ethics and Standards of The Appraisal Institute, the State of Texas, the Uniform Standards of Professional Appraisal Practice (USPAP), and guidelines requested by the client. This appraisal considers the land sales comparison approach to value, but not the cost approach to value or the income approach to value because the subject represents vacant land.

The research included comparable sales of land with similar physical characteristics, occurring in the past three years within the subject area. All of the land sales included in this analysis were confirmed by Scott Stephens and Associates, Inc. Some of the items which were verified in the confirmation process include the sale prices, recording data, physical and income characteristics, and other vital information available from the grantor or grantee, and from actual deed records as reported by various reporting services or county agencies.

Scott Stephens & Associates, Inc.

Kailey Gillings, Appraiser Trainee TX 343409, has provided significant professional assistance to the persons signing this report, including assisting in the site visit of the subject property, researching neighborhood and market information, and research of comparable sales of land with similar physical characteristics.

The site visit to the subject property was conducted on December 28, 2022. The subject property consists of approximately 25.132 acres or 1,709,450 square feet tract of vacant land. A property visit to the subject site and of the surrounding environment was conducted.

COVID-19 "Coronavirus": The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event subsequent to the effective date of the appraisal.

The COVID-19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long and short-term market impact from Covid-19 is in determining the market value conclusion.

The attached report presents all factual knowledge concerning the subject property to include its physical characteristics, characteristics of the general area, neighborhood and the immediate market. After presenting factual knowledge concerning the subject property and its market, the land sales comparison approach to value are analyzed and a final value estimate is reconciled and identified.

COMPETENCY PROVISION

It is presented that this report was completed by Scott P. Stephens, MAI, AI, GRS, Ryan Joseph Dagley, MAI, Katie McGinnis, and Kailey Gillings. Scott Stephens and Ryan Dagley hold the MAI designation awarded by the Appraisal Institute and are currently certified under the continuing educational programs. Further, this designation is held by appraisers experienced in the valuation and evaluation of commercial, industrial, residential, and other types of properties; and who advise clients on real estate investment decisions. Ryan Dagley, Scott Stephens, and Katie McGinnis are State Certified General Real Estate Appraisers and are currently certified under the continuing educational programs. The appraisers have completed numerous appraisal assignments on properties such as the subject and have the experience and ability to complete the appraisal in a competent manner. For a more detailed description of the appraiser's qualifications, refer to the introduction section of this appraisal. Kailey Gillings, Appraiser Trainee TX 343409 has provided significant professional assistance to the persons signing this report and is a Trainee under Mr. Scott Stephens, MAI, AI, GRS. Kailey Gillings is a trainee and is under the continuing educational programs from the TALCB.

Scott Stephens & Associates, Inc.

INTENDED USER AND INTENDED USE OF THE APPRAISAL IDENTIFICATION OF CLIENT

The intended use of the appraisal is for the internal use of the client !Appraisal MC" for asset evaluation and analysis. The intended user of this appraisal is Appraisal MC.

HISTORY OF THE SUBJECT

According to the Waller County Appraisal District !WCAD"%the subject is a 25.1328 acre or 1,094,750 square feet tract of land. Per the Waller County Appraisal District !WCAD"%the subject is under the ownership name of CBT Group LLC%who has owned the subject for less than three years !since March 29%2022 per WCAD". The subject site was purchased by the current owner in March of this year at an undisclosed purchase price. Currently%the subject is not being marketed for sale. There have been no other known conveyances of title for the subject within the past three years.

REAL ESTATE TAXES

The Waller County Appraisal District lists the ownership name of CBT Group LLC !property ID 257912". Copies of the subject's WCAD tax information pages are included within the Addenda section. The subject has an assessed value of \$1,094,750. Due to an agriculture exemption on the property%the current !2022" total assessed valuation for the subject property is \$1,890%of which 100% is attributed to the land. The subject property is within the taxing jurisdictions of the City of Hempstead%Waller&Harris Emergency Service District 200%Waller County%Waller County FM%and Hempstead Independent School District. The current !2022" total tax rate is \$2.335144 per \$100 in assessed value. Thus%the current total indicated tax liability for the subject based on the above estimated assessed value of the subject is \$44. ® This report assumes all taxes are paid to date.

CITY ANALYSIS

The Houston&The Woodlands&Sugar Land Metropolitan Statistical Area has 7.1 million inhabitants and is the fifth most populous metro area according to the US Census Bureau as of 2019%their most current reported year. Additionally%the City of Houston has approximately 2.3 million inhabitants which puts the city as the fourth&largest US city.

Houston's economy historically relied on the petroleum and petrochemical exploration and production industries%earning the city the title "Oil Capital of the Nation." However%today

Scott Stephens & Associates, Inc.

Houston has broadened its economic base%shifting away from the energy sector and diversifying in industries like biotechnology%nanotechnology%manufacturing%logistics%and aeronautics.

The COVID-19 pandemic has led to a widespread economic disruption across the MSA% and its effects have been felt both directly and indirectly. The government mandated stay-at-home orders directly impacted the retail and hospitality sectors by curtailing spending at non-essential businesses and softening demand. Furthermore%as global travel largely froze after the pandemic% the demand for oil and gas crashed resulting in negative oil prices for the first time in the industry's history. These subsequent lower oil prices globally led to indirect effects on Houston's energy and manufacturing industries.

These consequences of the pandemic saw vacancy rates increase substantially in 2020% correlating with both negative absorption and decreasing rental rates in most areas and sectors of the real estate market. The office market experienced 4.4 million SF of net absorption in 2020% which was the worst year on record%and an overall vacancy rate of above 18% is one of the worst in the nation as the Houston office market was already facing problems pre-pandemic as owners have had to contend with successive supply waves and waning energy tenant demand. In the industrial sector%demand is being driven by e-commerce providers%logistics companies%building material retailers%and discount stores. Yet Houston's industrial sector is experiencing record-breaking new supply%leading to rising vacancies and some of the lowest rent growth metrics in the country. An increase in vacancies in the retail sector caused by businesses shutting down has forced landlords to lower rents%and 2020 marked the first time the market registered negative annual rent growth in ten years. Rent growth has remained firmly in the red since.

Looking forward%while the local recovery outpaced that of the US due to the state's accelerated reopening%the recovery of the Houston economy depends largely on an improving health situation.

The near term outlook is bleak%as cutbacks in non-essential retail spending%especially for service%entertainment%and apparel retailers has hurt retailer revenues significantly. Further%the unpredictability of the energy markets here forward add to the economy's volatility. Although the US rig count started to rebound slightly in early 2021%it still remains in historically low territory%extending economic uncertainty for Houston's exploration%production and oil field service companies%which are the region's largest employers.

However%in the longer term%Houston's economic outlook remains optimistic with the vaccine rollout%and economists are forecasting 35%00 to 71%00 new jobs in 2021. Though the energy industry is predicted to remain stagnant%above-average population growth%and expansion in housing%transportation and distribution will continue to drive growth. This is particularly true in Houston's northern and western suburbs%which are growing quickly and have become the primary target for investment buyers. These areas are anticipated to witness an outsized share of new

demand%as demand for shopping and rental housing is strengthened in these suburbs due to a shift in renter and employer preferences to outside the core as a result of the health crisis and subsequent remote working.

Geography: The Houston metro is composed of Harris%Galveston%Brazoria%Fort Bend%Chambers%Montgomery%Austin%Liberty%San Jacinto%and Waller counties located in southeastern Texas. Bordered on the southeast by the Gulf Coast%the metro encompasses Galveston Bay. The Houston Ship Channel links the City of Houston to the Gulf of Mexico. The area's terrain is level and drains into a number of bayous and canals. Growth has sprawled%primarily to the north and west%making Houston the fifth&most populated metro in the nation. These 10 counties have a population of almost 7.1 million people. Houston is the largest city%with nearly 2.3 million residents%followed by Pasadena and Pearland.

Infrastructure: Great strides have been made to upgrade Houston's transportation infrastructure%with installments of Metro Rail and the completion of Interstate 10 in West Houston now comprising sections of the state's first interstate toll road. Also%the apportion of U.S. 59 through Houston has been upgraded and renamed Interstate 69. When the 1%00&mile interstate is completed%Houston will have better access to Canada and Mexico. Since 1994%construction on the massive State Highway 99%or "Grand Parkway%"has driven growth in the metro. This outer loop will be the largest beltway in the U.S. once completed.

There are two major commercial Airports within the Houston MSA. George Bush Intercontinental Airport "IAH" is among the country's busiest airports%servicing most major airlines and has non&stop flights to every inhabited continent. Additionally%it is the second largest hub for United Airlines. William P. Hobby Airport "HOU" is Houston's secondary commercial airport%and is an operating base for Southwest Airlines providing both domestic and international flights.

The Port of Houston contains 210 Miles of facilities located along the Houston Ship Channel and has recently been expanded. The port is one of the world's busiest%moving more than 200 million tons of cargo%and it records nearly 8%00 vessel calls annually. As the closest gulf port to the Panama Canal%Houston will benefit from the port's increased capacity.

Economy: Houston is the center of the U.S. petroleum industry. The metro leads the nation in petrochemical manufacturing and refining and ranks highly in manufacturing agricultural chemicals%fertilizers%and pesticides. In fact%Houston is home to 44 of the 128 publicly traded oil and gas companies. Houston is also the world's primary producer of oil&field equipment. Other products manufactured in Houston include paper%electrical and electronic machinery%iron%and steel.

Today Houston has broadened its economic base%shifting away from the energy sector and diversifying in industries with a particular stronghold in healthcare and the life sciences. In fact%

Houston is home to the largest medical center in the world at the Texas Medical Center, which treats more than 7.2 million patients annually and employs more than 100,000 people. The Texas Medical Center has plans to expand its footprint, with several million SF of new life sciences- and oriented mixed-use projects in the pipeline. With this expansion, they seek to establish Texas as the "Third Coast" for life sciences and biotechnology research, competing directly with Cambridge, MA and San Francisco, CA. As such, Houston's public and private sectors today are united in growing its global life sciences profile.

The Port of Houston is one of the country's busiest for exports and is in the process of upgrading its facilities to handle the larger supertankers that will come through the widened Panama Canal. Significant trading partners include Mexico, Saudi Arabia, Venezuela, China, and Germany. The port directly supplies thousands of jobs and generates billions of dollars in business revenue, and is central to the region's ongoing development as a hub for international trade.

Labor: Prior to the outbreak of the CoronaVirus Pandemic, the Houston MSA consistently ranked among the top metros for job growth in the country. Ample job opportunities had spurred significant population growth and more than 1.1 million new residents were added from 2010 to 2019. However, the onset of the pandemic has had a large impact on the Houston economy, leading to a significant rise in unemployment due to the closing of many retail, transportation-related, and hospitality businesses: at the height of the pandemic, Houston's unemployment reached 14%. While this level has recovered to just above 8%, this is still significantly above the pre-pandemic number of 4.1%.

Today, Houston's labor pool consists of nearly 3.4 million individuals according to Texas Labor Market Information and is dominated by jobs in the energy industry, which consists of the following components: upstream energy (oil and gas exploration and production), pipeline transportation and oil field equipment manufacturing, and downstream energy (refining, chemicals manufacturing). At present, upstream companies represent less than one-third of Houston's jobs, while energy-independent businesses represent more than 50 percent.

Substantial structural shifts in Houston's employment base has reduced its vulnerability to downturns in energy. The Port of Houston and George Bush Intercontinental Airport contribute to the trade, transportation, and utilities sector, which is the largest employment sector in the metro, comprising 21% of all nonfarm jobs. This sector experienced a loss of 2.3% as a result of the pandemic, as compared to 6.8% of all nonfarm jobs. Professional and business services is the second largest sector, accounting for 16.2% of total employment, and likewise experienced a loss below the total at 5.8%.

Employers: Houston serves as the headquarters for 22 Fortune 500 companies (September 2020) in industries such as energy, transportation and technology. Corporations on the list include Phillips 66, Sysco, Baker Hughes and Halliburton. Houston is fourth among metros nationwide in

the number of Fortune 500 headquarters%behind only New York City%Chicago and Dallas. Houston's major employers include H&E%Houston Methodist%Memorial Hermann Health System%and MD Anderson Cancer Center.

Though Houston is home to many major corporations%businesses with 250 or more workers account for only a small portion of total employment. The metro has hundreds of thousands of small businesses%which provide jobs in all employment sectors.

Demographics: The following data is taken from the US Census Bureau as of 2019. The metro's population has grown 19.5% since 2010%adding more than 1.2 million residents and is predicted to continue to increase for the next five years at approximately 2.2% annually. A large portion of the growth will come from immigration as an expanding employment base attracts young workers to the region. As a result%the area has one of the lowest median ages among major U.S. metros at 34.9 years per the US census. Around 29% of residents fall within their prime employment years of 25 to 44.

The availability of employees also helps attract corporations seeking a large%affordable and skilled labor pool. More than 33% of area residents age 25 and older have attained a bachelor's degree and more than 12% hold a graduate degree.

A skilled workforce as well as the concentration of Fortune 500 headquarters and major business operations in the region contributes to income growth. The metro's median household income%currently at \$69%93 per year%is expected to rise significantly in the next five years. Low housing prices help to keep Houston as one of the most affordable major metros in the country%with more than 60% of households owning their home.

Quality of Life: Outdoor activities abound in Houston as a result of the city's favorable location and climate. More than a dozen state parks and recreation areas lie within a short drive of Houston%and more than 500 parks and open spaces are located in the immediate area.

For those seeking cultural activities%Houston is one of very few U.S. cities with permanent professional resident companies in opera%ballet%orchestra and theatre. The area also has a strong collection of museums including the Museum of Fine Arts%Houston; Children's Museum of Houston; and the Lawndale Art Center. Additionally%Houston is home to four professional sports teams: the Houston Texans%the Houston Astros%the Houston Rockets%and the Houston Dynamo.

Educational opportunities also play a key role in Houston's quality of life. The education and health services sector accounts for 12 percent of total employment. Johnson Space Center for instance%is a popular tourist and educational destination. Houston offers distinguished school districts and more than 40 colleges%universities and institutions. The metro is also known internationally for its medical community and is home to the Texas Medical Center%the largest medical center in the world.

Due to its affordability, warm climate, low taxes, and pro-business environment, Houston is well positioned for future growth and remains resilient in the face of the current recession. If the reader desires more detailed statistical and background information for the City of Houston it is available for the reader at the following website address: www.houstontx.gov. This web site contains information on the history of the city, the form of government, economy, and trade, and area attractions.

The information contained in the market overview comes from Marcus & Millichap and other sources deemed to be reliable; however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. The most timely data available at time of production, including estimates and forecasts, were used and may be subject to revision.

NEIGHBORHOOD ANALYSIS

A neighborhood is defined as "A group of complimentary land uses; a congruous grouping of inhabitants, buildings, or business enterprises." *The Dictionary of Real Estate Appraisal*, 6th Edition

The purpose of the area and neighborhood analysis section of this report is to provide a background for the subject property in terms of its most immediate influences. This section delineates factual data according to the social, economic, governmental, and environmental forces that affect the inhabitants, and thus the value of the property in the general and immediate neighborhoods.

Location/Boundaries/Access: The subject neighborhood may be generally defined to be the Hempstead area of Waller County and the City of Waller. Specifically, the US 290 corridor between the City of Hempstead to the west and the City of Waller to the east. Hempstead and Waller represents a rural communities situated approximately 40 to 50 miles northwest of the Houston Central Business District. The City of Waller is centered around the intersection of US 290 and the Harris/Waller County line and Hempstead is centered around the intersection of US 290 and SH 6.

The subject property itself is located within city limits of the City of Hempstead, which is an incorporated part of Waller County, Texas. Specifically, the subject property is situated along the south line of Mack Washington Lane, being just north of Business US 290 "Old Hempstead Highway". Furthermore, the subject is located approximately 1.50 miles east of State Highway 6 "SH 6".

Traffic Arteries: US 290 begins at Loop 610 in near northwest Houston and ends at IH 35 in north central Austin. While there are several other routes, since the completion of all of the US 290 bypass highway sections northwest of Houston, it is now the most traveled route between these

two important Texas cities. SH 6 begins at Hitchcock%at IH 45%just west of Galveston%and loops around the south side of the Houston Metro Area%turning north in the Sugar Land Area%and continuing as SH 6 until it reaches US 290. To the north it becomes FM 1960%eventually ringing the entire greater Houston area%meeting back with SH 6 in Hitchcock as SH 146. SH 6 itself follows the common route with US 290 until it branches off to the north at Hempstead%continuing to the Bryan/College Station%Texas A & M University and beyond.

The old highway still exists between Hempstead and Houston%generally known as Hempstead Highway%but has become rather secondary as a result as the new configuration. There are plans to make this a toll road at some future date. The other two communities in this immediate area are Waller !the county seat"%and Prairie View !home of Prairie View A & M University". Like most rural towns%there is a healthy network of farm to market and county roads that service the area.

Development: Hempstead began as a cattle and agricultural town situated along a major railroad. It now represents a town of just around 5%000 in population. The old downtown area still has some viable businesses%and even though the main traffic has been redirected to the north%most of the retail and service development is still along the old highway. The city government is of the Alderman type. There are several banks%medical clinics%doctors%dentist%and chiropractors%a physical therapist%and a nursing home. There are a total several churches%restaurants%a super market%a Wal Mart%and numerous retail and service oriented businesses.

The Lawrence Marshall Automobile Dealership%which was one of the major dealerships in the state%has been shut down and is no longer a draw to the area. There is a motel on the south side of US 290 west of SH 6%and several service station and truck facilities in the immediate area of that intersection. The closing of the dealership has negatively affected the area.

Daikin Industries has developed a new air conditioning and furnace factory%being approximately 4%000%000 square foot tilt wall facility%which employs 5%000 workers. This new Daikin facility is located approximately 5.5 miles east of the subject. The appraiser is aware of a new 900%000 square foot FedEx facility going in on the Grand Parkway in the Far Northwest submarket !subject's submarket"%and GET just leased a 200%000 square foot industrial building in the 4th Quarter in the Far Northwest submarket. Transwestern notes that 72% of the new speculative space in the subject's submarket is pre-leased indicating strong demand.

Public Services: Police%fire%and emergency services are generally provided by Waller County%excepting where the City of Hempstead has controlling authority. Within the city limits%water and sewer services are available from the City of Hempstead%but are not available outside of the city limits%where private systems are necessary. Natural gas is not generally available%but electricity%telephone%high speed internet service%and cable TV are available. Natural gas is available in certain areas of the City of Hempstead%including the subject property.

Recreation: The neighborhood enjoys substantial recreational opportunities due to the presence of two major universities to the north and east%many fishing areas%bird hunting%off&roading%and other rural activities. The area has long been popular for gentleman farm estates and weekend farm/ranch homes. There is a watermelon festival every year%the bluebonnet trail in the spring%and there are several other major festivals and get&gathers between Hempstead%Waller%Bellville%Brookshire%Chappell Hill%and Round Top. One of the larger antique festivals in the country !five miles on both sides of the highway" twice a year between Round Top and Warrenton. While Hempstead itself has only a few antique/collectable shops%the area in general is full of history and famous for these types of shops. Another major area attraction is the Texas Renaissances Festival in the months of October and November%located just to the east at Magnolia.

Conclusion: While the cities of Waller and Hempstead has grown by about 30% every decade since the 1960's%the surrounding Waller County population has more than doubled that rate%especially over the past 15 years. Suburban development with a Houston base has grown past the 50 mile mark from the CBD in several directions%and the belt of rolling%creek riddled terrain west of Houston from Brookshire and Sealy on the south%all the way to Brenham and Navasota on the north represents logical developmental expansion for the foreseeable future%especially as more workers are enabled to work part or full time from home computers connecting to their places of employment.

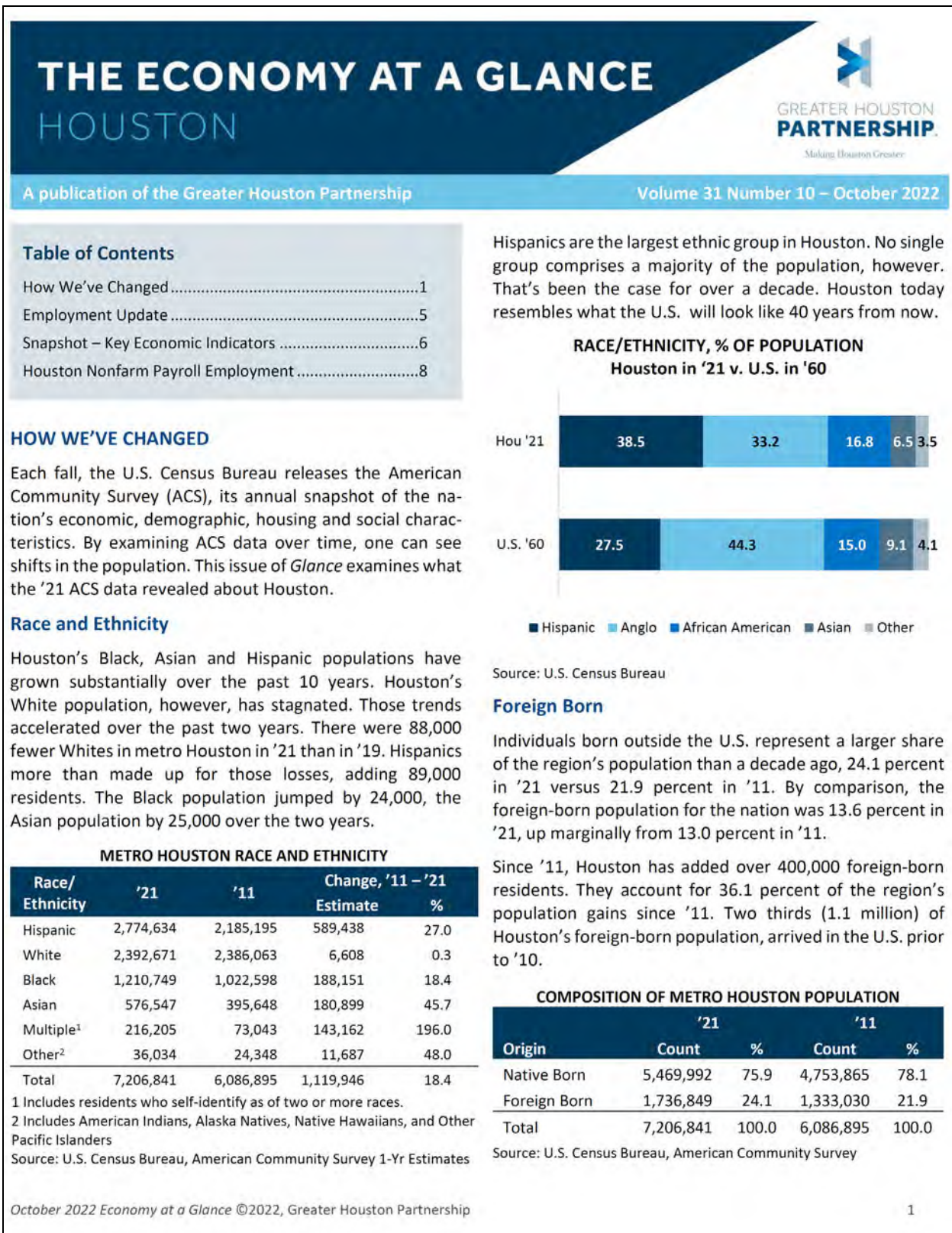
COVID&19 !Coronavirus: The global outbreak of a "novel coronavirus" known as COVID&19 was officially declared a pandemic by the World Health Organization !WHO". The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date!s" indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event%subsequent to the effective date of the appraisal.

The COVID&19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long&and short&term market impact from Covid&19 is in determining the market value conclusion.

Current Market Trends: The subject area has experienced moderate amounts of overall growth in the past 3 to 5 years in the commercial market. Development in the neighborhood includes retail%commercial%light industrial%multifamily%as well as single&family residential subdivisions. Overall%this area represents a well&ounded community from all standpoints.

In addition%as Houston continues to diversify from its previously heavily dependent petroleum economy%the overall business basis continues to strengthen. Considering the neighborhood s location%and its accessibility from major thoroughfares%the medium to long&term prospects for the neighborhood are considered stable.

Overall, this neighborhood is considered to have good potential for continued development. The following pages are a snapshot of the Greater Houston Partnership Volume 31 No. 10 – October 2022.



Less than half (42.9 percent) of our foreign-born are naturalized citizens. That is up from 35.2 percent 10 years ago. For the nation, 53.1 percent of foreign-born residents are citizens, up from 44.9 percent in '11.

Place of Origin

The majority of our foreign-born came from Latin America (61.2 percent), followed by Asia (25.9 percent), Africa (6.8 percent), Europe (4.9 percent), North America (0.9 percent) and Oceania (0.2 percent). Twenty countries account for 85.5 percent of Houston's foreign-born residents.

ORIGIN OF HOUSTON'S FOREIGN-BORN POPULATION

Country	Residents	Origin	Residents
Mexico	598,758	Philippines	35,642
El Salvador	118,984	Pakistan	35,325
Vietnam	95,480	Cuba	34,146
India	94,163	United Kingdom‡	28,046
Honduras	91,650	Canada	16,440
Nigeria	62,864	Iran	16,283
Venezuela	54,333	Taiwan	15,172
China	53,253	Nicaragua	12,027
Colombia	39,887	Germany	11,812
Guatemala	39,813	Iraq	10,738
Total Top 10	1,267,800	Total 11 - 20	215,631

‡ Includes England and Scotland

Source: U.S. Census Bureau, 2021 American Community Survey

Age

Houston's population continues to mature. In '11, the region's median age was 33.4 years. In '21, the median was 35.3. The median for the U.S. is 38.8 years.

Seniors (residents over 65) accounted for 12.1 percent of our population in '21, up from 8.9 percent in '11. Minors (residents under 18) were 26.2 percent of the region's population, down from 27.7 percent in '11.

AGE COMPOSITION OF METRO HOUSTON

Years	'21		'11	
	Count	%	Count	%
Under 20	2,068,363	28.7	1,856,503	30.5
20 - 34	1,506,230	20.9	1,326,943	21.8
35 - 54	1,974,674	27.4	1,710,417	28.1
55 - 64	799,959	11.1	651,298	10.7
65+	872,028	12.1	541,734	8.9
Total	7,206,841	100.0	6,086,895	100.0

Note: Columns do not sum due evenly due to rounding errors

Source: U.S. Census Bureau, American Community Survey

Disability Status

One in 10 Houstonians, 743,425 residents, suffer from one or more disabilities (behavioral, emotional, sensory, mobility, or developmental). That's up from 573,540 residents ten years ago. Typically, this cohort grows by 17,000 to 20,000 residents each year. From '19 to '21, the population jumped by nearly 85,000. One in 24 Houstonians under the age of 18 has at least one disability. The rate is one in 12 for ages 18 to 64 and one in three for residents 65 and older.

School Enrollment

Just over 1.9 million Houston residents were enrolled in school in '21, up from 1.7 million in '11. Nearly one in four (22.6 percent) were in college or a graduate school, compared to 21.1 percent in '11.

POPULATION 3 YRS AND OVER ENROLLED IN SCHOOL, '21

Grade Level	Students	%
Nursery school, preschool	99,396	5.2
Kindergarten	97,484	5.1
Elementary school (grades 1-8)	846,775	44.3
High school (grades 9-12)	437,723	22.9
College or graduate school	431,989	22.6
Total	1,932,292	100.0

Note: Columns may not sum due evenly due to rounding errors.

Source: U.S. Census Bureau, 2021 American Community Survey

Educational Attainment

Houstonians are better educated. One in three adults (35.8 percent) hold a bachelor's degree or higher. Ten years ago, 28.9 percent did. Increased enrollment in higher education and the passing on of older Houstonians who tended to be less educated has contributed to the improvement.

EDUCATIONAL ATTAINMENT, METRO HOUSTON POPULATION 25 YEARS OLD AND OLDER

Highest Education Level Attained	'21	'11
No High School Diploma	15.5	18.9
Less Than 9th Grade	9.1	9.7
9th to 12th Grade	6.4	9.2
High School Grad or Higher	84.4	81.1
High School/ GED only	22.9	24.1
Some College, No Degree	18.7	21.6
Associate Degree	7.0	6.5
Bachelor's Degree or Higher	35.9	28.8
Bachelor's Degree	22.4	19.0
Graduate or Professional Degree	13.5	9.8

Note: Columns do not sum due evenly due to rounding errors.

Source: U.S. Census Bureau, American Community Survey

Labor Force Participation Rate

The labor force participation rate is the percentage of population over 16 that is employed or unemployed and actively seeking work. Houston's rate has trended down since the '00s. The decline accelerated in the pandemic.

LABOR FORCE PARTICIPATION RATE, METRO HOUSTON



At 65.8 percent, Houston's rate is still well above that of the U.S., which averaged 62.5 percent in '21.

Travel to Work

Houstonians are spending more time in traffic. According to the ACS, the average travel time to work was 28.9 minutes in '21, up from 27.7 minutes in '11.

- Most commuters (70.6 percent) drive to work alone, down from 80.4 percent in '11.
- Only 8.9 percent of commuters carpool, down from 10.8 percent 10 years ago.
- Only 1.3 percent of all commutes involved public transit in '21, down from 2.3 percent in '11.

One in six Houston workers worked from home (WFH) in '21, up from one in 19 prior to the pandemic and one in 30 a decade ago. While significant, Houston lags the nation in share of population working from home.

EMPLOYED POPULATION, 16 AND OLDER, WORKING FROM HOME

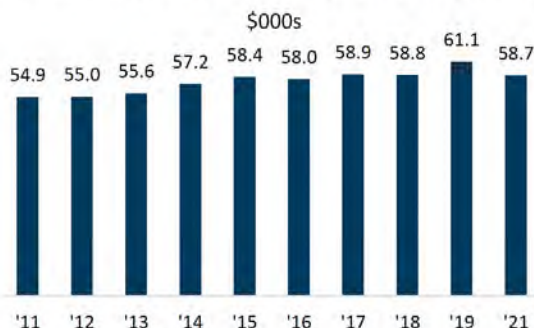
	'21	'19	'11
HOU Workforce	3.295 M	3.371 M	2.774 M
% WFH	15.5	5.1	3.3
# WFH	510,853	171,970	91,557
U.S. Workforce	154.3 M	156.9 M	138.2 M
% WFH	17.9%	5.7%	4.3%
# WFH	27.622 M	8.945 M	5.945 M

Source: U.S. Census Bureau and Partnership calculations

Income

Median household income trended up in recent years, growing 11.3 percent, adjusted for inflation, from '11 to '19. Incomes took a hit in the pandemic. Median household income for Houston was \$70,893 in '21, which is \$58,707 in '11 constant dollars, a 3.9 percent drop from '19.

MEDIAN HOUSEHOLD INCOME, METRO HOUSTON



* '11 constant dollars

Source: U.S. Census Bureau American Community Survey

Poverty

In '11, one in seven Houston families (14.1 percent) lived in poverty. That improved to one in ten (10.2 percent) by '19. But the pandemic hit those at the lower income levels the hardest. By '21, one in nine families (11.2 percent) lived in poverty.

- In families with children under the age of 18, the rate jumped from 14.8 percent to 16.3 percent.
- In single-mother households with children under 18, the rate was 37.9 percent in '21, a marginal improvement from 41.9 percent in '11.
- For residents 65 and older, the rate was 11.5 percent in '21, up from 10.7 percent 10 years ago.

Veteran Status

One in 20, or 5.0 percent of the adult population (265,780 residents) served in the U.S. military. That's down from '11, when 294,643 veterans, 6.5 percent, called Houston home.

Health Insurance Coverage

More Houstonians carry health insurance now than a decade ago, but the improvement has been marginal. When the Census Bureau first asked about coverage in '13 (prior to passage of the Affordable Care Act), only 77.2 percent of the metro population had insurance. In '21, 80.7 percent had health insurance.

Health Insurance Coverage in Metro Houston

	% Population	
	'21	'11
With health insurance	80.7	75.9
With private health insurance	60.3	56.9
With public coverage	28.1	25.2
No health insurance	19.3	24.1

Source: U.S. Census Bureau American Community Survey

Marital Status

Half the region's population over the age of 15, nearly 2.9 million residents, is currently married. One-third of the population has never married. The remaining population is either widowed, separated, or divorced.

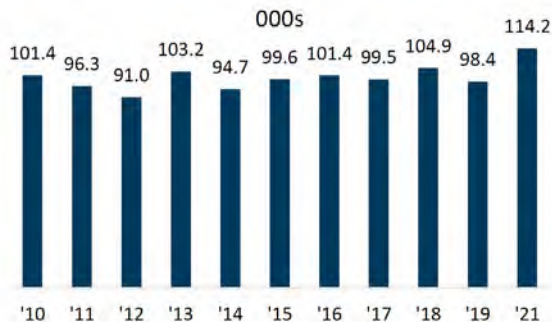
MARITAL STATUS, POPULATION 15 AND OLDER, '21

	#	%
Currently married	2,856,487	50.6
Never married	1,927,022	34.1
Divorced	500,610	8.9
Widowed	241,505	4.3
Separated	124,438	2.2
Total	5,647,206	100.0

Note: Columns may not sum due evenly due to rounding errors.
Source: U.S. Census Bureau, 2021 American Community Survey

Fertility

The fertility rate trended down in recent years but jumped post-pandemic, setting a record for births in '21.

NUMBER OF WOMEN 15 - 50 YEARS OLD WHO HAD A BIRTH IN THE PAST 12 MONTHS

Source: U.S. Census Bureau, American Community Survey (2010-2021)

Of the 114,161 births in Houston last year, 32.1 percent were to unmarried women (widowed, divorced, or never married). Over the past 10 years, the fertility rate for women under 20 has plummeted while the rate for women 35 to 50 has climbed.

HOUSTON FERTILITY RATES, BIRTHS PER 1,000 WOMEN

Mother's Age	'21	'11
15 to 50 years old	40	40
15 to 19 years old	16	43
20 to 34 years old	107	104
35 to 50 years old	37	27

Source: U.S. Census Bureau, 2021 American Community Survey

Households

Houston added nearly 535,000 households over the past decade. In '21, roughly one-third (36.2 percent) of the 2.6 million households included someone under 18; one-fourth (25.0 percent) included someone over the age of 65.

HOUSEHOLD COMPOSITION, METRO HOUSTON – '21

Household Type	#	%
Married-couple household	1,311,106	50.4
With children under 18	595,721	22.9
Cohabiting couple household	171,692	6.6
With children under 18 years	70,238	2.7
Male householder, no spouse/partner	452,644	17.4
With children under 18 years	33,818	1.3
Female householder, no spouse/partner	665,959	25.6
With children under 18 years	150,881	5.8
Males living alone	304,364	11.7
Females living alone	332,979	12.8
Total	2,601,401	100.0

Source: U.S. Census Bureau, 2021 American Community Survey

Mobility

One million Houstonians—14.0 percent of residents one year and older—moved year. The majority simply changed apartments or houses within the metro area, but a substantial number moved here from outside the region.

PLACE OF RESIDENCE, ONE YEAR AGO*, '21

Location	Residents	%
Same house	6,118,192	86.0
Different house	995,985	14.0
Different house in the U.S.	946,186	13.3
Same county	583,363	8.2
Different county	355,709	5.0
Same state	234,768	3.3
Different state	128,055	1.8
Abroad	49,799	0.7
Total	7,114,177	100.0

* For population 1 year old and older

Source: U.S. Census Bureau, 2021 American Community Survey

Note: The Census Bureau did not release ACS data for '20.

Source: U.S. Census Bureau American Community Survey ('11-'21)

EMPLOYMENT UPDATE

Metro Houston added 5,400 jobs in August '22. This falls below expectations for the month. In a normal year, the region creates 7,000 to 10,000 jobs in August. In a boom year, which has been the case up to this point, the region creates 10,000 to 18,000 jobs. It's too soon to determine whether the August report is the first sign of an economic slowdown.

- Restaurants and bars added 7,500 jobs in August. The sector normally creates 800 to 1,200 jobs in the month. August's job growth is likely an anomaly that will be revised downward in future reports.
- Administrative and support services added 5,500 jobs. Employers are relying on contractors to meet their workforce needs in the current tight labor market.
- Durable goods manufacturing added 1,500 jobs in August and 7,700 since the first of the year. It's not clear from the available data in which sub sectors those jobs were created. Manufacturing overall remains well below pre-pandemic employment levels.
- Real estate/equipment rentals added 800 jobs in August bringing employment to 100 jobs shy of where it stood in February '20. In a sector with over 64,000 jobs, this is essentially a rounding error. The sector should be considered as fully recovered.
- Employment in hotels, information, and other services—all laggards in the COVID recovery— was flat in August. The energy sector, also a laggard, shed 700 jobs.

Fourteen of the 19 major sectors tracked by TWC have fully recovered their pandemic losses. Those sectors are:

- Administrative support and waste management
- Arts, entertainment, and recreation
- Construction
- Educational services
- Finance and insurance
- Food services and drinking places
- Health care and social assistance
- Professional, scientific and tech services
- Retail trade
- Transportation, warehousing, and utilities
- Wholesale trade.

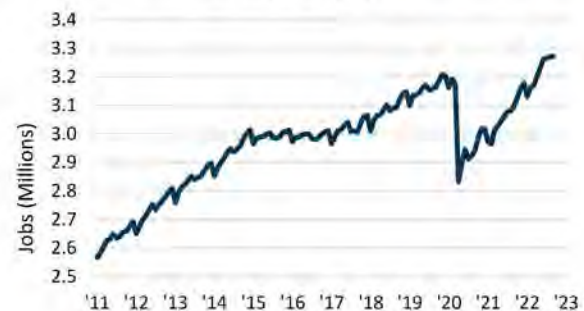
Information, hotels, and personal services should recover by the end of the year. The path to full recovery for energy and manufacturing remains uncertain, especially as U.S. economic growth has begun to slow.

SECTORS STILL IN RECOVERY, METRO HOUSTON

Sectors	Job Still to Recoup
Real estate and equipment rentals	100
Information	500
Hotels	2,300
Other Services	4,300
Manufacturing	5,700
Energy (exploration, oil field services)	10,200

Source: Texas Workforce Commission and Partnership calculations

Nonfarm payroll employment now tops 3,273,100, well above Houston's previous peak of 3,207,900 reached in November '19.

**NONFARM PAYROLL EMPLOYMENT
METRO HOUSTON**

Source: Texas Workforce Commission

RECESSION IN 2023?

Will the U.S. slip into a recession next year? If so, will Houston follow? And if so, how bad will it be for Houston and how long will it last? The Partnership's [Houston Region Economic Outlook](#) event scheduled for Thursday, December 8 at the Royal Sonesta Hotel aims to answer those questions and more.



During lunch, a of Partnership Board Members will share their insights for Houston's future. Following the discussion, **Patrick Jankowski**, the Partnership's Chief Economist, will present the Houston the employment forecast for next year. Register for the event at the [Partnership's website](#).

KEY ECONOMIC INDICATORS



Aviation — The Houston Airport System (HAS) handled 52.2 million passengers in the 12 months ending August '22, up 44.5 percent from the comparable period in '21. This marks the highest 12-month passenger count since April '20.



Building Permits — City of Houston building permits totaled \$7.7 billion for the 12 months ending August '22, up from \$6.1 billion over the same period in '21, according to the city's Public Works Department. Commercial permit values rose 28.6 percent to \$4.3 billion and residential permit values increased 21.9 percent to \$3.4 billion.



Construction — Metro Houston construction starts totaled \$14.8 billion through July of this year, up from \$12.1 billion over the comparable period in '21, according to the latest data from Dodge Data & Analytics. Nonresidential activity increased from \$4.4 billion, to \$6.0 billion and residential activity from \$7.7 billion to \$8.8 billion.



Crude Oil — The closing spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$93.67 per barrel in August '22, up from \$67.73 for the same period in '21. WTI has consistently traded above \$90 per barrel since early February '21. The U.S. Energy Information Administration forecasts WTI to average \$98.07 per barrel this year and \$90.91 in '23.



Home Sales — In the 12 months ending August, Houston area realtors closed on 128,869 homes, compared to 130,767 for the 12 months in July, and 132,887 for the 12 months ending in June. In August '22, active listings of all property types (single-family, townhomes, condos, duplexes) were up 25.1 percent over August of '21. They are still 17.7 percent below where they stood five years ago.



Inflation — Inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U), rose 8.3 percent nationwide in the 12 months ending August '22. This has come down from a peak in June '22 of 9.1 percent. The peak of the last 50 years was in March '80 when the annual rate topped 14.6 percent.



Purchasing Managers Index — Economic activity in Houston expanded in August at a slightly slower rate than July, according to the most recent Houston Purchasing Managers Index (PMI). The August '22 PMI registered 54.2, down from 55.6 in July. Readings over 50 generally indicate expansion in the economy, below 50, contraction.



Rig Count — The Baker Hughes count of active domestic rotary rigs hit 765 the last week of September, up 237 rigs from the same week the year before, according to data recently released by the company. The rig count is 28 shy of where it stood in mid-March '20 prior to the pandemic. However, the rig count peaked at 1,083 the last week of December '18. The pandemic only accelerated the decline.



Unemployment — The unemployment rate for metro Houston was 4.6 percent in August '22, down from 4.8 percent in July '22 and from 6.3 percent in August '21. The Texas rate was 4.2 percent, down from 4.3 percent in July and 5.5 percent in August of last year. The rates are not seasonally adjusted.



Vehicle Sales — New car, truck, and SUV sales are up 9.7 percent through August of this year compared to the same period in '21. Truck and SUV sales continue to dominate the market, accounting for one in four (77.6 percent) of all vehicles sold to date.

Clara Richardson and Patrick Jankowski contributed to this issue of *Houston: The Economy at a Glance*.

STAY UP TO DATE

For past issues of **Economy at a Glance**, click [here](#).

The Partnership posts updates to the region's key economic indicators throughout the month. If you would like to receive updates by e-mail, click [here](#).

If you would like to receive updates via Twitter, follow the Partnership's Chief Economist, Patrick Jankowski, at @PNJankowski.

If you are not a member of the Greater Houston Partnership and would like to subscribe to **Economy at a Glance**, please click [here](#). For information about joining the Partnership, call Member Engagement at 713-844-3683.

SITE DATA AND ANALYSIS

An analysis of the subject site is particularly important in determining its highest and best use. We have relied on the legal description%aerial photos%WCAD tax map%and a thorough physical property visit of the subject. The following is a discussion of the most important facts.

Legal Description: 25.132 acres or 1,709,450 square feet of land being Lot 1%Clear Creek Development%Waller County%Texas.

Location/Access: The subject property is located within city limits of the City of Hempstead%which is an incorporated part of Waller County%Texas. Specifically%the subject property is situated along the south line of Mack Washington Lane%being just north of Business US 290 !Old Hempstead Highway". Furthermore%the subject is located approximately 1.50 miles east of State Highway 6 !SH 6".

Physical Characteristics: The subject site is rectangular in shape and contains a total of 25.132 acres or 1,709,450 square feet of land !size per WCAD".

Zoning/Land Use: The subject is located in the City of Hempstead within Waller County%which Hempstead does subscribe to zoning. The subject property is zoned "Agriculture Residential" by the City of Hempstead%which allows for a variety of agriculture and commercial uses. There are no known deed restrictions%or other known restrictions as to use or value.

Floodplain: According to the flood insurance rate map of the Federal Emergency Management Agency%revised May 16%2019%FEMA Map No. 48473C0135F%the subject lies within Zone X%an area outside the 500-year and 100-year floodplains. A copy of the floodplain map follows this section. Please refer to the caution statement at the bottom of floodplain map.

Environmental Concerns: An environmental survey for the subject property was not provided. It is assumed that no adverse environmental or geologic conditions exist%but this should be checked with appropriate professionals.

Topography/Drainage: Upon inspection%the subject site appears to be level and well drained. Drainage of the subject site is facilitated by natural site drainage to open ditch drainage along bordering roadway rights of way. Drainage of the area is under the control of Waller County and appears adequate as evidence by the existing improvements in the immediate vicinity.

Easements and Covenants: The subject has no known easements or restrictions which would be considered to adversely affect utilization of the subject site. There are utility easements common to properties in the area.

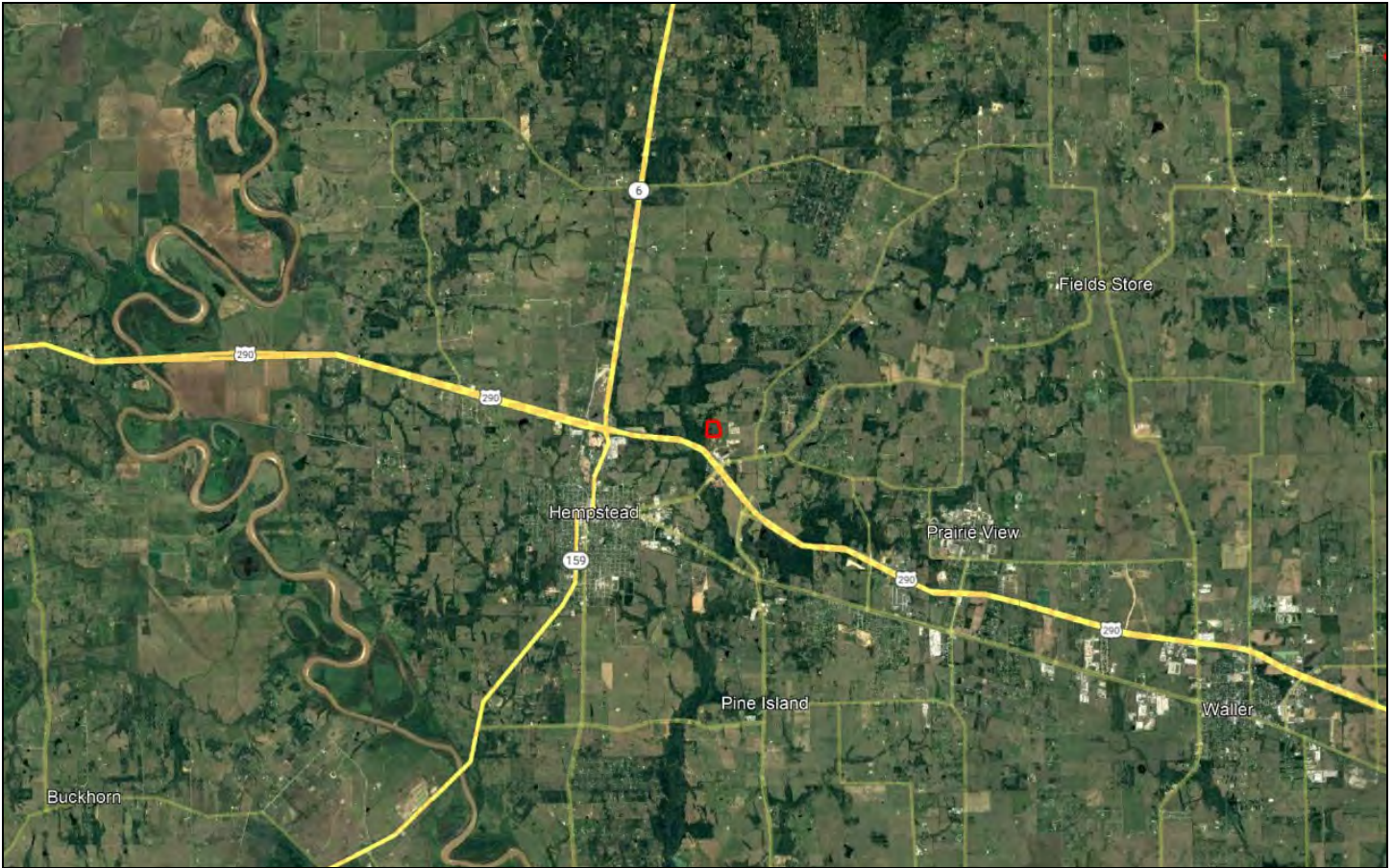
Utilities/Education/Public Services The subject does have access to water and sewer via the City of Hempstead. Electricity is distributed by CenterPoint Energy%and telephone is available through several national providers. In addition%cable television and high speed internet service are readily available through a variety of area providers.

Police%fire%and emergency services are provided by Waller County. Education is provided by the Hempstead Independent School District%which provides secondary education through the high school level !Kindergarten through the 12th grade".

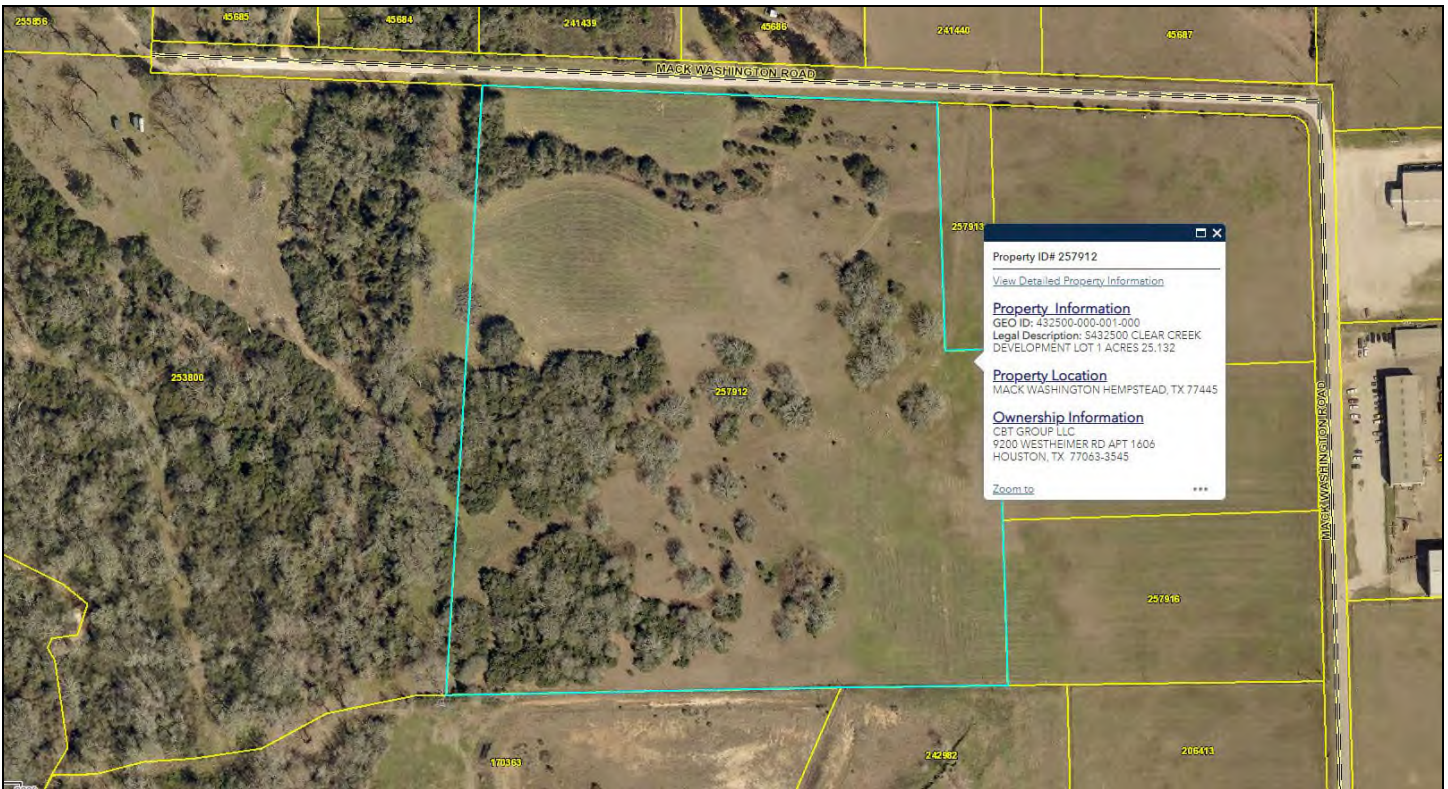
Conclusion: The subject has good access to primary traffic arteries and all portions of the greater Houston area. The site is a sufficient size to support a number of possible uses%and does not appear to be encumbered by any easements or encroachments that would affect value or use. The subject represents a good developable site with fair accessibility and amenities.



Aerial Photo of Subject Site
Boundaries are estimated by appraiser



Broad Aerial View of Subject and Surrounding Area Development



Subject WCAD Tax Map



Subject as of December 28%2022

FLOOD MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

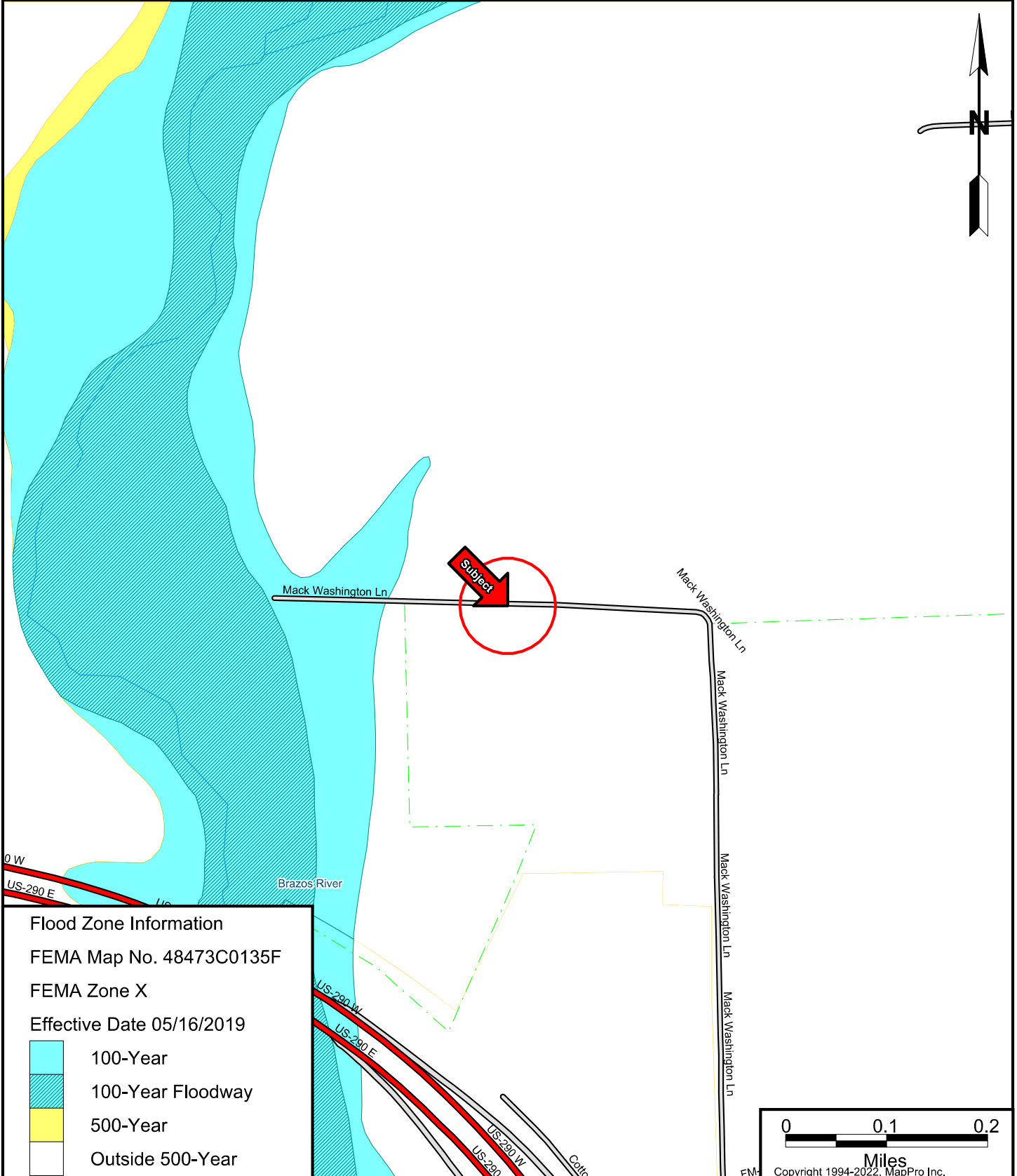
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.116343

Long: -96.049399



Flood Zone Information

FEMA Map No. 48473C0135F

FEMA Zone X

Effective Date 05/16/2019

- 100-Year
- 100-Year Floodway
- 500-Year
- Outside 500-Year

CAUTION:

The location of flood hazard areas shown on this map are approximate only. Flood hazard boundaries may change from time to time. A property in the general vicinity of a flood hazard area should be evaluated by a civil engineer or other appropriate specialist prior to purchase or investment.

HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value" ! *The Dictionary of Real Estate Appraisal*, 6th Edition". The definitions of highest and best use indicate that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use.

Legally Permissible: In all cases of highest and best use, the appraiser must determine the uses of the site which are legally permissible. The subject is located in the City of Hempstead within Waller County, which Hempstead does subscribe to zoning. The subject property is zoned "Agriculture Residential," which allows for a variety of agriculture or commercial development. Beyond building code requirements, there appear to be no legal impediments to the subject use or value.

Physically Possible: Size, terrain, shape with respect to development, surrounding uses, and utility availability are generally considered the most important in determining uses to which the subject may be developed. The subject site contains a total of 25.132 acres or 1,709,450 square feet of vacant land. The subject has access to public water and sewer. The subject tract is of a size and shape that could accommodate a number of uses. Considering the size and location of the subject, the most likely physical uses would be for some type of commercial development as demand warrants.

Financially Feasible: This criterion dictates that the use must create value and generate a positive net income. Factors which influence feasible uses include those considered other than legally permissible and physically possible uses, as well as economic factors relating to rental rates and occupancies of the various real estate sectors. In other words, a property's financial feasibility is based on its income potential.

Maximally Productive: In considering the maximally productive uses, the comparison of all uses determined to be physically possible, legally permissible, and financially feasible are evaluated. The maximally productive use produces the highest rate of return or the highest value to the property. Generally, it is viewed as the ideal improvement. There are few if any uses which create a greater return to the land than some type of commercial use.

As Vacant: Based on a review of financial information, it is our opinion that the highest and best use of the property "as vacant" is for commercial use.

SALES COMPARISON APPROACH

The sales comparison approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sales prices of the comparables based on the element of comparison. The sales comparison approach may be used to value improved properties, vacant land or land being considered as though vacant.

The sales comparison approach is applicable when sufficient data on recent market transactions is available. Essential information on income-producing properties derived through sales comparison is used in the income capitalization and cost approaches.

The procedure for applying the sales comparison approach includes the following:

1. Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Information on agreements of sale, options, listings, and bona fide offers may also be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.

2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property such as buyer motivation, economic characteristics (if the property is income-producing), value component allocations, and other significant factors as well as information about the market to ensure that comparisons are credible.

3. Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit) and develop a comparative analysis for each unit. The appraiser's goal is to define and identify a unit of comparison that explains market behavior.

4. Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.

5. Reconcile the various value indications produced from the analysis of comparables into a value conclusion. A value opinion can be expressed as a single point estimate, as a range of values, or in terms of relationship (e.g., more or less than a given amount).

There are 10 basic elements of comparison that should be considered in sales comparison analysis:

- 1) Real Property rights conveyed
- 2) Financing terms
- 3) Conditions of sale
- 4) Expenditures made immediately after the purchase
- 5) Market conditions (time)
- 6) Location
- 7) Physical characteristics – e.g., size, construction, quality, condition
- 8) Economic characteristics – e.g., expense ratios, lease provisions, management, tenant mix
- 9) Legal characteristics
- 10) Non-realty components of value

(*The Appraisal of Real Estate*, 15th Edition, pg. 362).

Sale 1**Key Map:****Reference No:** 21096**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: SL Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: William Ray Price
Grantee: Tomball Real Estate Partners LLC
Sale Date: August 19, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2213372
Legal Description: Tract 7, John F Martin, Abstract 227, Waller County, TX

SALE ANALYSIS

Sales Price: \$1,759,622 **Adjusted Sales Price:** \$1,759,622
Land \$0.72 PSF \$31,449 Per Acre

LAND INFORMATION

Land Size: 55.952 Ac. 2,437,269 SF
Frontage: FM 1488
Floodplain: No **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

Electricity: Yes **Sewer:** No
Gas: No **Telephone:** Yes
Water: No **Road:** 2 lane

COMMENTS

Confirmed Sale (MLS 37569686)

Sale 2**Key Map:****Reference No:** 21097**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: WL of Richards Rd
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Quest IRA Inc FBO Byron K Preadom
Grantee: DMW Properties LLC
Sale Date: April 29, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2205825
Legal Description: Tract 93, Justo Liendo, Abstract 41, Waller County, TX

SALE ANALYSIS**Sales Price:** \$540,000**Adjusted Sales Price:** \$540,000**Land** 1.12 **PSF****\$48,780 Per Acre****LAND INFORMATION**

Land Size: 11.070 **Ac.** 482,209 **SF**
Frontage: Richards Rd
Floodplain: No **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

Electricity: Yes **Sewer:** Public
Gas: No **Telephone:** Yes
Water: Public **Road:** 2 lane

COMMENTS

Confirmed Sale (MLS 14738240)

Sale 3**Key Map:****Reference No:** 21095**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 40647 Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: KGHS Holdings LLC
Grantee: Peter S Terpstra
Sale Date: August 20, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2213372
Legal Description: Tract 15, Justo Liendo, Abstract 41, Waller County, TX

SALE ANALYSIS

Sales Price: \$1,375,000 **Adjusted Sales Price:** \$1,375,000
Land \$1.81 PSF \$78,737 Per Acre

LAND INFORMATION

Land Size: 17.463 Ac. 760,697 SF
Frontage: FM 1488
Floodplain: No **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

Electricity: Yes **Sewer:** No
Gas: No **Telephone:** Yes
Water: No **Road:** 2 lane

COMMENTS

Confirmed Sale (MLS 18291140)

Sale 4**Key Map:****Reference No:** 21098**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 32408 Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Jerry Lance Snyder
Grantee: 32408 FM 1488 LLC
Sale Date: July 28, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2200675
Legal Description: Tract 4, Andrew MC Stee, Abstract 220, Waller County, TX

SALE ANALYSIS

Sales Price: \$1,900,000 **Adjusted Sales Price:** \$1,900,000
Land \$0.80 **PSF** \$35,047 **Per Acre**

LAND INFORMATION

Land Size: 54.213 **Ac.** 2,361,518 **SF**
Frontage: FM 1488
Floodplain: No **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

Electricity: Yes **Sewer:** No
Gas: No **Telephone:** Yes
Water: No **Road:** 2 lane

COMMENTS

Confirmed Sale (MLS 12883395)

Sale 5**Key Map:****Reference No:** 21099**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 53681 US 290
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Michael L Jeane
Grantee: Sorsby 290 Ventures LLC
Sale Date: July 15, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2108240
Legal Description: Tract 77, James Hall Jr., Abstract 32, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,572,000	Adjusted Sales Price:	\$1,572,000
Land	\$1.30 PSF	\$56,575 Per Acre	

LAND INFORMATION

Land Size:	27.786 Ac.	1,210,363 SF	
Frontage:	US 290		
Floodplain:	No	Zoning:	None
Panel No.:		Encumbrances:	None
Panel Date:		Environmental Issues:	

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 15043332)

LOCATION MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

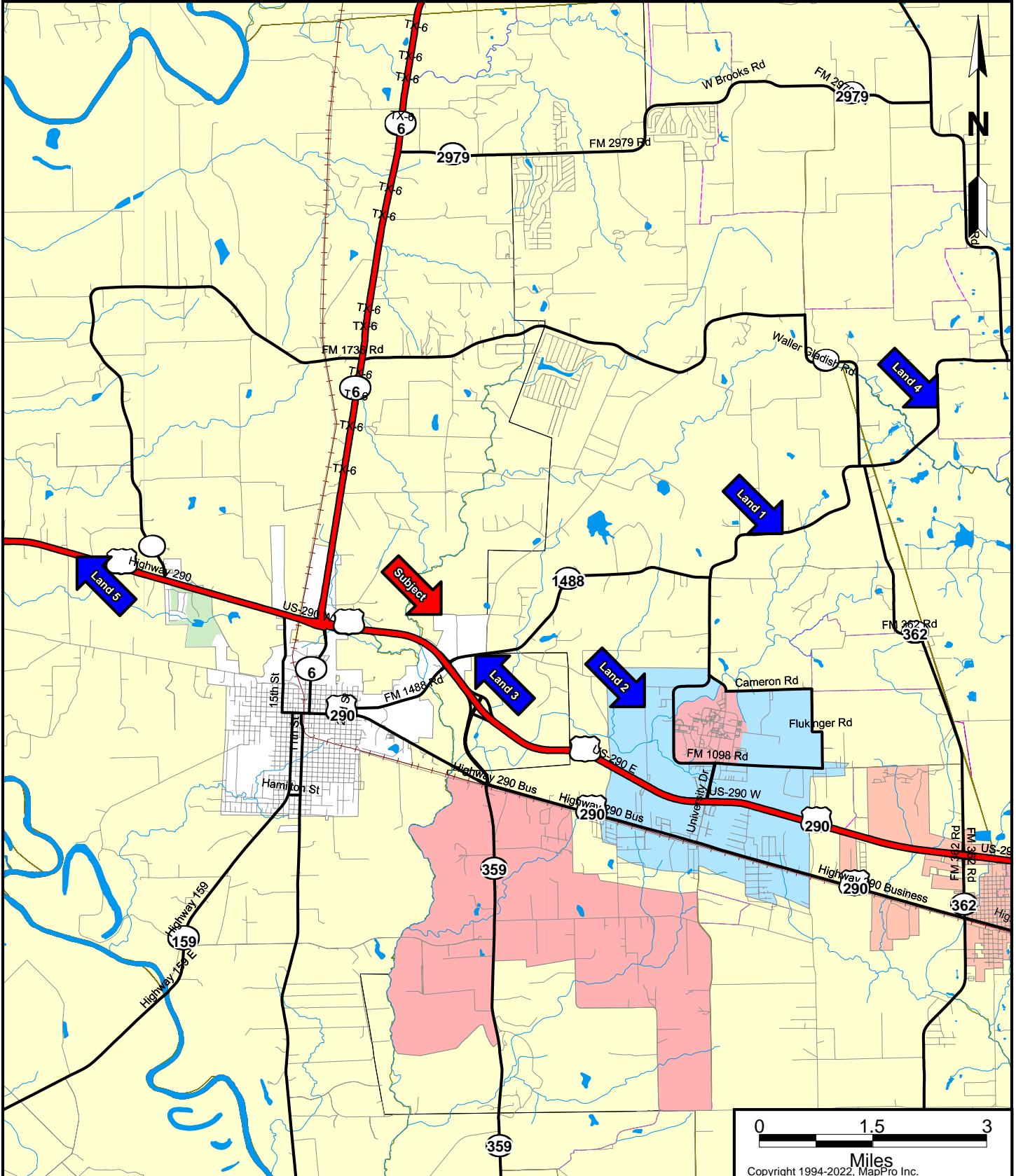
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.1163

Long: -96.0494



CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

Prepared by Scott Stephens & Associates, Inc. using MapPro Series 53 MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.

SITE VALUATION

The sales comparison approach utilizes sales transactions of area properties considered comparable to most characteristics of the subject site. The most basic requirement is that the comparable sales are located within proximity to the subject neighborhood and have occurred in the open market in the recent past. This analysis was conducted within the framework of the definition of market value as described within the report. It requires a valuation of the site as vacant as in its highest and best use.

In order to develop a value estimate for the subject tract the deed records of Waller County were searched through a deed reporting service and the area was surveyed for sales of comparable tracts.

Included within this section are five comparable sales of vacant land tracts which are considered to be comparable to the subject in the immediate neighborhood. The sales included for comparison within this section are the most comparable sales to the subject property and are the most recent sales occurring within the immediate neighborhood. Based on the quality and quantity of the data our confidence level in the land sales comparison approach is high. The sales are described in detail on the land sale comparable forms which immediately precede this section. Additionally a sales map is included in the preceding pages and the sales map contains a representation of the size shape and location of each sale in relation to the subject property.

Adjustment Factors: The methodology for this approach is the employment of an adjustment grid a copy of which follows this section and also acts as a summary of the land sales and the basic subject information. No financial adjustments have been necessary. The following paragraphs discuss the adjustments and make the comparisons with the subject site.

Conditions of Sale: This adjustment takes into consideration unusual features of the transaction such as unusual influences among the sale parties existing improvements on the sales at the date of the transaction or whether or not the sale took place under open market conditions. No adjustments are necessary.

Market Conditions !Time": The market condition !time" adjustment is considered and the lack of sales activity in some real estate sectors may point to the need for this adjustment. The comparable sales included within this analysis occurred during the previous 2 years. The current COVID&19 outbreak is considered; however indications are the subject market segment that has remained steady. Sales 3 and 5 are adjusted upward for market conditions.

Size: While the sales at least demonstrate the principle that a smaller site will sell for more per square foot than a larger one there is insufficient comparability and numbers from which to draw a meaningful adjustment factor. However years of pairing studies throughout the Gulf Coast area suggest a safe average comparison of 5% to 10% per doubling or halving in size

by comparison with the subject 25.132-acre site size. The appraiser will analyze the sales based on a 10% per doubling rounded to the nearest 5%. Sales 2 and 3 are adjusted downward for their smaller site size as compared to the subject. Sales 1 and 4 are adjusted upward for their larger site size as compared to the subject. Overall net adjustments may be found on the adjustment grid.

Location: Location adjustments are primarily subjective to the appraiser's based upon experience and knowledge of the various markets involved and on inspections of the properties presented. Sales 1, 3, 4 and 5 are adjusted downward for their superior location as compared to the subject.

Floodplain: Floodplain designations affect the utilization of each tract and thus affect value. The subject is located in the Zone X Floodway. No adjustments were made.

Physical Characteristics: This adjustment considers corner influence, utilities, detention and shape. The subject has access to public water and sewer through the city of Hempstead. Sales 1, 3, 4 and 5 are adjusted upward for having inferior access to utilities.

Conclusion: The adjusted sale prices range from \$0.79 to \$1.40 per square foot with a mean of \$1.06 and a median of \$1.01 per square foot. Thus the value for the subject is concluded to \$1.05 per square foot or \$1,494,888 rounded to:

\$1,500,000

LAND SALES ADJUSTMENT GRID

Sale #		1	2	3	4	5	Subject
A d j u s t m e n t s	Location	SL of FM 1488	WL of Richards Rd	40647 FM 1488	32408 FM 1488	53681 US 290	SL of Mack Washington
	Date of Sale	Aug-22	Apr-22	Aug-21	Jul-21	Jul-21	Dec-22
	Size (Acres)	55.9520	11.0700	17.4632	54.2130	27.7861	25.1320
	Sale Price \$PSF	\$0.72	\$1.12	\$1.81	\$0.80	\$1.30	??
A d j u s t m e n t s	Financing	0%	0%	0%	0%	0%	
	Condition of Sale	0%	0%	0%	0%	0%	
	Cash Adj. Sale Price	\$0.72	\$1.12	\$1.81	\$0.80	\$1.30	
	Market Conditions (Time)	0%	0%	3%	3%	3%	
	Time Adj. Sale Price	\$0.72	\$1.12	\$1.86	\$0.82	\$1.34	
	Size	10%	-10%	-5%	10%	0%	
	Location	-10%	0%	-30%	-10%	-20%	
	Floodplain	0%	0%	0%	0%	0%	
Physical Charactersitics		10%	0%	10%	10%	10%	
Net Adjmts.		10%	-10%	-25%	10%	-10%	
Gross Adjmts.		30%	10%	48%	33%	33%	
Adjusted Price psf		\$0.79	\$1.01	\$1.40	\$0.91	\$1.21	??

Mean Adjusted Value: \$1.06 psf
Median Adjusted Value \$1.01 psf

ADDENDA



Appraisal MC
320 Detering Ste B
Houston, TX 77007
713-623-0559

APPRAISAL REQUEST FORM
COMPANY: Individual – Commercial NR CC

State Registration Number: 2000252

File Information

File ID: 221202069
Loan Number: 111111

Due Date: 1/3/2023

Appraiser Information

Loan Type: Commercial – Primary
Form: Commercial appraisal report
Service Fee: \$1250.00
Transaction Fee:

Appraiser: Stephens, Scott

Total Appraiser Fee: \$1250.00

Client Information

Client: Shook, Hardy & Bacon L.L.P.
Address:

Borrower or Company Name: Shook, Hardy & Bacon

Subject Property

Address or Intersection: MACK WASHINGTON
HEMPSTEAD, TX 77445
County: Waller

Intended Use: Home Equity
Property Type: Commercial

Legal Description:

Property Description:

Map: [Map Link](#)

Property Contact Information

Contact Person: Kelsey Morris w/ Mark Dimas Team
Cell Phone:

Work Phone: 832-814-7623
Home Phone:

Property Contact Notes:

Kelsey Morris w/ Mark Dimas Team kelsey@markdimasteam.com

Effective Date of Valuation

	Retrospective	As Is	Prospective at Completion	Prospective at Stabilized Occupancy
Effective Date(s) of Appraisal:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leased Fee (all or part):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Fee Simple (not leased):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leasehold (borrower is tenant):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Condition (vacant land/improved):				
If Leased Fee approx % leased (excludes owner):				
If Leased Fee approx no of tenants (excludes owner):				
If Leased Fee approx remaining lease term(s) over 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Leased Fee approx remaining lease term(s) under 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other information believed germane to the appraisal bid:

Additional Notes:

Date	From	Message
12/14/2022 4:41 PM	Bautista, Mayra	Good afternoon your conditions have been accepted. Please proceed and accept this order in your queue. Thank you

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact Appraisal MC at 713-623-0559. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser Appraisal MC will not be liable for any appraisal related service fee.



Commercial Order Form
client

* If a client of Appraisal MC or lender makes contact with you directly, contact Appraisal MC immediately. Do NOT make contact with the client of Appraisal MC or lender directly unless otherwise specified in the order. Any contact outside of the Appraisal MC system may be cause for removal and forfeit of appraisal fee due to non-compliance with the appraiser agreement. All communication and reports must be sent through Appraisal MC only. Failure to comply with this request will result in this order being cancelled and payment for this order will be rescinded immediately.

Appraiser agrees not to directly or indirectly engage via communication or assignments with any of Appraisal MC's lender clients for a period of one year without written consent of Appraisal MC. Appraiser agrees to provide reasonable monetary damages for violation of this Agreement; and, that if monetary damages are calculable, monetary damages alone are inadequate as a remedy for such violation. Therefore, the parties agree that equitable remedies, including, without limitation, temporary restraining order and mandatory injunction enforcing specific performance, are and shall be proper remedies for violation of this Agreement. If suit is brought to enforce this Agreement, the winning party shall be entitled to receive, in addition to any actual damages, reasonable attorney(s) fees spent in the prosecution of such suit.

APPRAISAL MC RESERVES THE RIGHT TO DISCOUNT FEE OF PAST DUE REPORTS BY \$50 PER DAY IF NO NOTIFICATION IS RECEIVED. COMPLETED APPRAISALS MUST BE SUBMITTED BY 2 PM CST ON THE DUE DATE.

IF A RUSH/PRIORITY ASSIGNMENT IS NOT SUBMITTED ON OR BEFORE THE DUE DATE THE RUSH/PRIORITY ADDITIONAL FEE WILL BE FORFEITED.

ANY REVISIONS MUST BE SUBMITTED THE SAME BUSINESS DAY OTHERWISE THE ASSIGNMENT WILL BE CONSIDERED LATE.

Trip Fee Policy:

Trip fees for scheduled appointments are not to exceed \$150 unless otherwise approved. A photo of the subject property with address must be provided for verification

Trip fees may be forfeited for the following reasons:

- If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- Cancelled orders not submitted on or before the due date***
- Assignments that have been withdrawn from***

Cancellation policy:

Pre-Inspect: 0%

Post-Inspect based on appt time in system: Fee not to exceed \$150 unless otherwise approved

Completed report: 100%

Cancellation fees may be forfeited for the following reasons:

- If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- Cancelled orders not submitted on or before the due date***
- Assignments that have been withdrawn from***

(Please note that any cancellations will come via message from Appraisal MC)

TEXAS APPRAISERS: If you are an appraiser licensed or certified in Texas you must accept the TALCB invite prior to accepting any assignments from Appraisal MC. Do not accept any assignments or begin work on any assignments and contact Appraisal MC immediately. Appraisal MC will not be responsible for any work completed by an appraiser not active on the Appraisal MC TALCB panel.

Waller CAD**Property Search Results > 257912 CBT GROUP LLC
for Year 2022**

Tax Year: (2022)

Property**Account**

Property ID:	257912	Legal Description:	S432500 CLEAR CREEK DEVELOPMENT LOT 1 ACRES 25.132
Geographic ID:	432500-000-001-000	Zoning:	
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:
Informal Date:
Formal Date:

Location

Address:	MACK WASHINGTON HEMPSTEAD, TX 77445	Mapsco:	B13SUBS
Neighborhood:	CLEAR CREEK DEVELOPMENT	Map ID:	3771 N1
Neighborhood CD:	S432500		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026384
Mailing Address:	9200 WESTHEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.000000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$1,094,750	\$1,890
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$1,094,750	
(-) Ag or Timber Use Value Reduction:	-	\$1,092,860	
<hr/>			
(=) Appraised Value:	=	\$1,890	
(-) HS Cap:	-	\$0	
<hr/>			

(=) Assessed Value: = \$1,890

Taxing Jurisdiction

Owner: CBT GROUP LLC
 % Ownership: 100.000000000000%
 Total Value: \$1,094,750

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WALLER CAD	0.000000	\$1,890	\$1,890	\$0.00
CHD	HEMPSTEAD CITY OF	0.552573	\$1,890	\$1,890	\$10.44
ESD	WALLER-HARRIS ESD 200	0.097426	\$1,890	\$1,890	\$1.84
GWA	WALLER COUNTY	0.522593	\$1,890	\$1,890	\$9.88
RFM	WALLER CO FM	0.025852	\$1,890	\$1,890	\$0.49
SHD	HEMPSTEAD ISD	1.136700	\$1,890	\$1,890	\$21.48
Total Tax Rate:		2.335144			
Taxes w/Current Exemptions:					\$44.13
Taxes w/o Exemptions:					\$44.13

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	W6	WILDLIFE MGMT (PREV NATIVE PASTURE)	25.1320	1094749.92	0.00	0.00	\$1,094,750	\$1,890

Roll Value History


Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2021	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2020	\$0	\$1,040,010	1,760	1,760	\$0	\$1,760
2019	\$0	\$1,007,170	1,760	1,760	\$0	\$1,760

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	3/29/2022	WDV	WARRANTY / VENDOR LIEN	STYERS ODIS III	CBT GROUP LLC			2203998

Tax Due

Property Tax Information as of 12/27/2022

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes	Base Tax	Discount / Penalty &	Attorney Fees	Amount Due
------	---------------------	---------------	----------	------------	----------	----------------------	---------------	------------

Paid	Due	Interest
------	-----	----------

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (979) 921-0060

Website version: 1.2.2.33

Database last updated on: 12/26/2022 8:24 PM

© N. Harris Computer Corporation